

Feed-in Tariff

# Annual Report 2014-15

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## Context

On 1 April 2010 the government introduced the Feed-in Tariffs (FIT) scheme. The scheme was created to encourage the uptake of small scale renewable and low carbon technologies up to a total installed capacity (TIC) of five megawatts (MW) in GB. The scheme requires certain licensed electricity suppliers to pay eligible installations for generating and exporting renewable and low carbon electricity.

Installations using solar photovoltaic (PV), wind, hydro and anaerobic digestion (AD) technologies up to 5 MW and fossil fuel-derived combined heat and power (CHP) up to 2 kW can receive FIT payments, as long as they are eligible.

The FIT scheme, introduced by the Department of Energy and Climate Change (DECC), is administered by the Gas and Electricity Markets Authority (the Authority), which is assisted in its day-to-day functions by the Office of Gas and Electricity Markets (Ofgem).

The FIT scheme is governed by the Feed-in Tariffs Order 2012 (the Order). Article 33 of the Order requires us to provide an annual report to the Secretary of State for Energy and Climate Change by 31 December following the end of an obligation period. There is a statutory requirement to report on licensed electricity suppliers' compliance with their obligations under Standard License Conditions 33 and 34. We have also included other information that we think is relevant and interesting to scheme stakeholders and the general public.

## Associated Documents

Standard Conditions 33 and 34 of the Electricity Supply Licences:

<https://epr.ofgem.gov.uk/Content/Documents/Electricity%20Supply%20Standard%20Licence%20Conditions%20Consolidated%20-%20Current%20Version.pdf>

The Feed-in Tariffs Order 2012:

[http://www.legislation.gov.uk/ksi/2012/2782/pdfs/ksi\\_20122782\\_en.pdf](http://www.legislation.gov.uk/ksi/2012/2782/pdfs/ksi_20122782_en.pdf)

The Feed-in Tariffs (Amendment) Order 2013

[http://www.legislation.gov.uk/ksi/2013/1099/pdfs/ksi\\_20131099\\_en.pdf](http://www.legislation.gov.uk/ksi/2013/1099/pdfs/ksi_20131099_en.pdf)

The Feed-in Tariffs (Amendment) Order 2014

[http://www.legislation.gov.uk/ksi/2014/1601/pdfs/ksi\\_20141601\\_en.pdf](http://www.legislation.gov.uk/ksi/2014/1601/pdfs/ksi_20141601_en.pdf)

The Feed-in Tariffs (Amendment) (No2) Order 2014

[http://www.legislation.gov.uk/ksi/2014/2865/pdfs/ksi\\_20142865\\_en.pdf](http://www.legislation.gov.uk/ksi/2014/2865/pdfs/ksi_20142865_en.pdf)

The Feed-in Tariffs (Amendment) Order 2015

[http://www.legislation.gov.uk/ksi/2015/35/pdfs/ksi\\_20150035\\_en.pdf](http://www.legislation.gov.uk/ksi/2015/35/pdfs/ksi_20150035_en.pdf)

The Feed-in Tariffs: Guidance for licensed electricity suppliers

<https://www.ofgem.gov.uk/environmental-programmes/feed-tariff-fit-scheme/information-feed-tariff-licences>

The Feed-in Tariffs: Guidance for Renewable Installations

[https://www.ofgem.gov.uk/sites/default/files/docs/2015/06/feed-in\\_t tariff\\_guidance\\_for\\_renewable\\_installations\\_v9\\_0.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2015/06/feed-in_t tariff_guidance_for_renewable_installations_v9_0.pdf)

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## Executive summary

This report summarises activity in the Feed-in Tariffs (FIT) scheme during its fifth year of operation (1 April 2014 to 31 March 2015) and reviews progress since its launch on 1 April 2010.

### Licensed electricity supplier compliance

Periodic and annual levelisation are how we ensure scheme costs are distributed across all licensed electricity suppliers based on their share of the Great Britain (GB) electricity supply market. We have seen licensee compliance improve slightly this year. The data submitted for levelisation was more accurate and results of the biennial meter verifications improved. However, there were three instances of late payments this year and we continue to receive some data for levelisation and other general requirements late. We have made sure that the licensees involved have put measures in place to prevent this from happening again and we continue to work with them to improve levelisation processes and reporting. We provided a more detailed scope ahead of the annual levelisation audits and as a result saw the quality of the reports improve. We also saw an improvement in the licensee audit results this year, the majority of findings related to improving processes and procedures.

In December 2014 we consulted on the remote verification of automatic meter readers (AMRs) for completing biennial verification and issued updated guidance in March 2015. The new guidance allows for AMRs to be used in biennial verification as long as they meet specified criteria. We expect that this will reduce cost and create efficiencies for licensees.

The number of voluntary licensees participating in the scheme increased slightly in Year Five. We have worked closely with licensees throughout the year to answer queries, provide support and encourage improvements. We have held regular workshops and, based on feedback from licensees, we continue to improve our processes and guidance documents as the scheme becomes more complex.

### Scheme Costs

The total levelisation value increased by £175m this year; it came to £691m in Year Four and rose to £866m in Year Five. These costs were levelised across all licensed electricity suppliers proportionate to their GB market share and include £851m in generation payments, £30m in deemed export payments and £12m in licensee administration costs. The value of the net deemed export was £27m and this is deducted from the levelisation value.<sup>1</sup>

Although the total value of the levelisation fund has increased rapidly over the last five years, we have kept our administration costs as low as possible. This year they came to just under £3m which equates to only 0.34% of the total annual cost of the scheme.

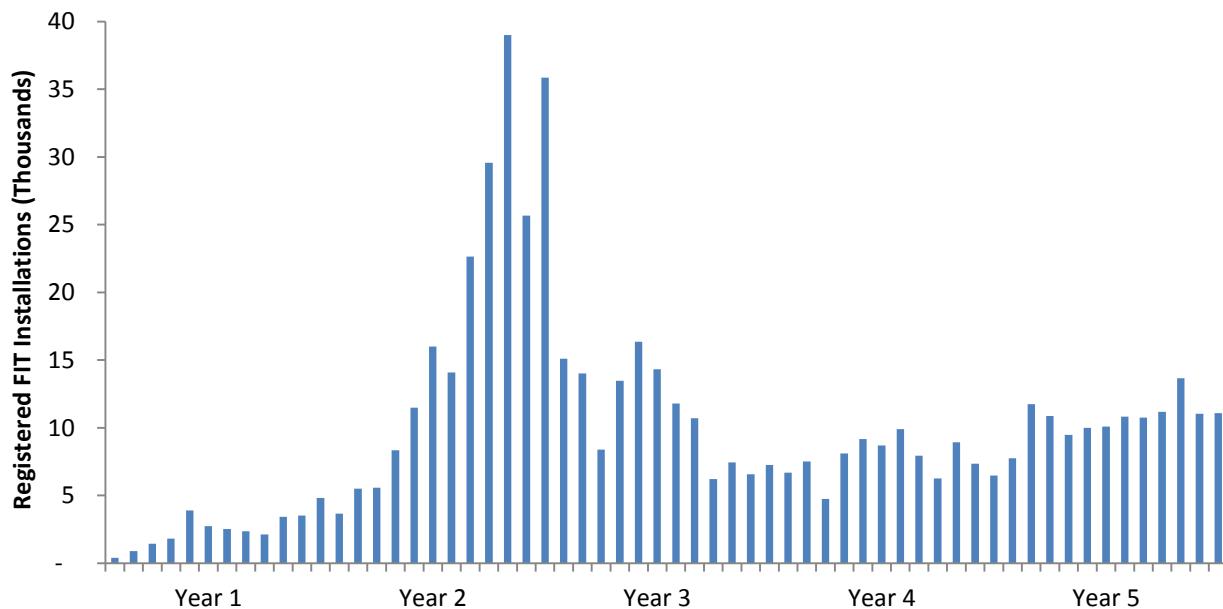
A total of 2 million tonnes of CO<sub>2</sub>e are estimated to have been saved this year, this was calculated using the average emission factors during the year (CO<sub>2</sub>/kWh equivalent)<sup>2</sup>. The cost per tonne of carbon saved by FITs for new installations has reduced from £378/tonne in Year Four to £249/tonne in Year Five. This is as a result of reduced tariff rates and the degression mechanism.

<sup>1</sup> Levelisation value is generation payments + deemed export payments + qualifying FIT costs – value of deemed export

<sup>2</sup> Figures obtained using annual weighted emission factors from electricity generation, transmission and distribution from DEFRA's Greenhouse Gas (GHG) Conversion Factor Repository at [ukconversionfactorscarbonsmart.co.uk](http://ukconversionfactorscarbonsmart.co.uk)

## Accredited FIT installations

**Figure 1: Monthly uptake**



At the start of Year Five uptake was at approximately 1800 installations per week but as the year progressed uptake began to grow in response to several tariff cuts, this is shown in **Figure 1**. This would suggest that degression has curbed uptake but is not stabilising it as originally intended (and as we saw in Year Four). Instead, degression is causing surges in uptake before tariffs are reduced. As the year came to an end, 2.2% of all homes in GB were generating electricity onsite from FIT accredited installations. A total of 592,065 installations were registered at the end of the year with solar PV making up 99% of all installations. The number of all other technologies installed increased over the year.

## Policy effects on uptake

New legislation was introduced in January 2015 aimed at encouraging the uptake of building mounted PV by making separate provision for the stand-alone tariff. This caused a surge in uptake of 'stand-alone' installations between January and March 2015. We also saw another surge in PV uptake between September and December 2014 ahead of the 1 January 2015 tariff cut.

The first non-solar PV contingent degression triggered a tariff cut on 1 April 2014 which caused a spike in application volumes as applicants rushed to guarantee a higher tariff rate. This tariff cut was followed by a further non-PV degression which took place in October 2014 and resulted in a large number of ROO-FIT applications. We made some improvements to our ROO-FIT accreditation processes to help reduce the amount of time it took to accredit an application and increase our monthly approval rates.

# 1. Licensed electricity supplier compliance

## Chapter summary

The determination of mandatory, voluntary and non-FIT licensees took place in February and we saw the total number of voluntary licensees increasing slightly. There were some minor compliance issues in both periodic and annual levelisation processes but all payments were distributed by us on time. General licensee compliance seems to have improved slightly including audit performance and biennial meter reading but we still received some information late. We consulted on using AMRs for biennial meter verification and updated our guidance documents.

## Annual notification of FIT status

1.1 The suppliers that have to take part in the FIT scheme are known as mandatory FIT licensees and those who choose to participate (but are not obligated to) are known as voluntary FIT licensees. A supplier is classified as a mandatory FIT licensee if they supplied electricity to more than 250,000 domestic electricity customers on 31 December 2013.

1.2 All suppliers were required to notify us on or before 14 February 2014 to confirm whether they would be participating as a mandatory licensee, wished to be a voluntary licensee or remained as a non-FIT licensee for the FIT Year beginning on 1 April 2014.

1.3 Of the 104 electricity suppliers, 17 suppliers failed to make their annual notifications of FIT status by the deadline. Given that they were either inactive in the supply market, and therefore have no customers, or the number of customers they had (when they finally submitted) was less than the threshold for being a mandatory licensee, we listed these suppliers as non-FIT licensees.

1.4 The number of suppliers participating in the scheme increased from 32 in Year Four to 34 in Year Five, the number of individual licensees (some suppliers have multiple licenses) increased from 50 in Year Four to 52 in Year Five. The number of licensees continues to increase each year and we know from industry engagement that the willingness to become a voluntary licensee normally (but not exclusively) falls into one of three categories:

- Supply companies whose business models are built around 'Green' technologies and supply
- Suppliers expecting to cross the mandatory threshold in succeeding years and are looking to gain experience in the scheme
- Suppliers who offer FITs as part of an overall package they offer their customers

1.5 We are also aware that some voluntary FIT licensees offer FITs alongside Power Purchase Agreements (PPAs) and the purchasing of other renewable electricity certificates (e.g. LECs and REGOs) in a collective package.

**Figure 1.1: Licensees each scheme year**

	Year 1	Year 2	Year 3	Year 4	Year 5
Voluntary FIT participants	9 (9)*	14 (12)	22 (19)	33 (25)	34 (26)
Mandatory FIT participants	15 (7)	15 (7)	17 (9)	17 (7)	18 (8)
Total participants	24 (16)	29 (19)	39 (28)	50 (32)	52 (34)

\*The brackets represent the number of companies participating, this number is smaller because some companies hold multiple licenses and each license is a FIT licensee.

1.6 All FIT licensees must make payments to eligible generators registered to them, these payments are based on electricity generated and/or electricity exported to the grid. Licensees also have other specific responsibilities:

- Taking all reasonable steps to verify that a FIT applicant's installation is eligible for the scheme and information provided by the applicant is accurate.
- Registering eligible installations (both MCS<sup>3</sup> FIT accredited and ROO-FIT<sup>4</sup> accredited) onto the Central FIT Register (CFR).
- Taking all reasonable steps to ensure that data recorded on the CFR is accurate, and, if necessary, updating and amending the CFR with new information.
- Acquiring generation and/or export meter readings, taking all reasonable steps to satisfy themselves that these generation and/or export meter readings are reasonable and within expected tolerances for that particular installation.
- Verifying generation and/or export meter readings at least once every two years
- Calculating and making FIT payments in accordance with information held on the CFR and ensuring that generators and nominated recipients only receive FIT payments that they are eligible for.
- Ensuring that generators registered with the licensee for both their electricity supply and/or FIT payments are not unreasonably discriminated against for switching electricity supplier or the price they pay for electricity supply.

## Mandatory FIT licensees

1.7 A mandatory licensee's responsibilities include:

- Registering and making FIT payments to eligible installations for which the mandatory licensee is the electricity supplier.
- Registering and making FIT payments to eligible generators who are customers of another supplier that is not a mandatory licensee.
- Registering and making FIT payments to eligible generators whose installation is off-grid.

1.8 A mandatory licensee can also register and make FIT payments to any eligible generator it chooses to offer FIT services to.

1.9 Mandatory licensees must remain within the scheme for the duration of the FIT Year (1 April - 31 March), even if during the year they no longer meet the requirements for mandatory participation.

**Figure 1.2: Mandatory FIT licensees in Year Five**

Supplier Name	Electricity Supply Licence
British Gas Trading Ltd	British Gas Trading Limited Electricity Direct (UK) Limited
E.ON	E.ON Energy Solutions Limited E.ON UK Plc
EDF Energy Plc	British Energy Direct Limited EDF Energy Customers Plc SEEBOARD Energy Limited
First Utility Limited	First Utility Limited

<sup>3</sup> Microgeneration Certification Scheme – solar PV and wind with TIC ≤50 kW and micro-CHP ≤2 kW.

<sup>4</sup> All other non-MCS installations - all AD and hydro. Wind and PV>50kW.

Supplier Name	Electricity Supply Licence
RWE Npower Plc	Npower Direct Limited
	Npower Limited
	Npower Northern Limited
	Npower Northern Supply Limited
	Npower Yorkshire Limited
	Npower Yorkshire Supply Limited
Scottish Power	Scottish Power Energy Retail Limited
SSE	South Wales Electricity Limited
	SSE Energy Supply Limited
Utility Warehouse	Electricity Plus Supply Limited

## Voluntary FIT licensees

1.10 A mandatory FIT licensee's responsibilities include:

- Registering and making FIT payments to the owner of eligible installations when the owner is a customer of the voluntary licensee and the installations are less than or equal to 50 kW Total Installed Capacity.

1.11 A voluntary licensee is also able to register and make FIT payments to any eligible generator it chooses to offer FIT services to.

1.12 Voluntary licensees are required to remain in the scheme for the duration of the Year (1 April - 31 March) in which they choose to become a voluntary licensee.

**Figure 1.3: Voluntary FIT licensees in Year Five**

Supplier Name	Electricity Supply Licence
Ecotricity	The Renewable Energy Company Limited
Energy Data Company Limited	Energy Data Company Limited
F & S Energy Limited	F & S Energy Limited
Flow Energy Limited	Flow Energy Limited
GDF Suez Energy UK	IPM Energy Retail Limited
GDF Suez Marketing Ltd	GDF Suez Marketing Limited
Gilmond Holdings Ltd	I Supply Energy Limited
	Simply Electricity Limited
Good Energy Ltd	Good Energy Limited
Green Energy UK	Green Energy (UK) plc
Neas Energy Limited	NEAS Energy Limited
Opus Energy Group Ltd	Donnington Energy Limited
	Farmoor Energy Limited
	Opus Energy (Corporate) Limited
	Opus Energy Limited
	Opus Energy Renewables Limited
Ovo Electricity Limited	OVO Electricity Limited
PX Holdings	Coulomb Energy Supply Limited
Reuben Power Supply Ltd	Reuben Power Supply Limited
SmartestEnergy Limited	Smartest Energy Limited
Spark Energy Supply Ltd	Spark Energy Supply Limited
Symbio Energy LLP	Symbio Energy Solutions LLP
The Midcounties Co-operative Limited	Co-Operative Energy Limited
	Energy COOP Limited

Supplier Name	Electricity Supply Licence
Texas Retail Energy, LLC	Power 4 All Limited
TLS Energy Limited	Loco2 Energy Supply Limited
Total Gas and Power Ltd	Total Gas & Power Limited
TradeLink Solutions Ltd	Tradelink Solutions Limited
UK Healthcare Corporation Limited	UK Healthcare Corporation Limited
	Europa Energy Supply Limited
Utilisoft Ltd	Sirocco Energy Supply Limited
	Tempus Energy Supply Ltd.
Utilita Electricity Ltd	Utilita Energy Limited
Utility Partnership Limited	Utility Partnership Limited

## Non-FIT licensees

1.13 Suppliers that are neither mandatory nor voluntary licensees are known as non-FIT licensees. Non-FIT licensees (as holders of an electricity supply licence) are still required to participate in some parts of the scheme, including periodic and annual levelisation where they must give us information and fulfil their financial liabilities as determined by us. A full list of all electricity licenses granted by us is on our website<sup>5</sup>.

## Periodic and annual levelisation compliance

1.14 One of our functions in FIT legislation is to administer both the periodic and annual levelisation reconciliation processes. Levelisation allows for the costs of the scheme to be distributed across all suppliers, ensuring they share a burden of the costs proportionate to their share of the market. Levelisation occurs each quarter (periodic levelisation), in addition to an annual reconciliation (annual levelisation) following the end of each year. All suppliers are required to participate in both processes.

1.15 The periodic levelisation process requires all suppliers, regardless of FIT status, to notify us of the amount of electricity they have supplied in the previous quarter. This supply figure is then used to calculate a supplier's share of the GB electricity supply market. FIT licensees must also provide the payments they have made to generators over the previous quarter. All of this information is used to determine whether a licensee has paid its share of the scheme costs. Those suppliers that have paid less than their share will be required to make a payment into the levelisation fund, while those that have paid more than their share will receive a payment from the fund.

1.16 Annual levelisation follows the end of each year. Its aim is to reconcile all data and associated costs included in each of the four periodic levelisation periods. This means discrepancies can be resolved, late payments into the levelisation fund can be redistributed and suppliers can report the most accurate supply information to us. FIT licensees are required to have their annual levelisation submissions independently audited.

1.17 Some suppliers failed to meet their levelisation obligations as they did not submit data to us during one, or more, of the periodic levelisation periods or the annual levelisation final reconciliation. This was despite, in a number of cases, repeated attempts by us to obtain this information. These suppliers are shown in **Appendix 1**. Given that these non-compliances had little impact on levelisation, we are not intending to take further action against these suppliers at present but reserve the right to pursue enforcement action later. These late submissions were successfully managed and they did not delay the periodic levelisation or annual levelisation process.

<sup>5</sup> [https://www.ofgem.gov.uk/sites/default/files/docs/2015/11/electricity\\_registered\\_or\\_service\\_addresses\\_0.pdf](https://www.ofgem.gov.uk/sites/default/files/docs/2015/11/electricity_registered_or_service_addresses_0.pdf)

1.18 We have worked with suppliers to ensure they are aware of their requirement to submit levelisation data on time. However, the number of instances of late reporting increased since last year. One of the reasons for this might be the increase in the number of new suppliers and therefore a greater number of potential instances for incorrect or late reporting.

1.19 We are continuing to work with all suppliers to ensure that they are aware of their responsibilities and the need for them to register an account on the Central FIT Register (CFR) to make their periodic levelisation submissions. The number of suppliers registering for the first time on the CFR increased in Year Five and as a result, we have started to receive CFR submissions from suppliers that we had previously had to chase for manual submissions.

1.20 The number of errors we see in the data that is submitted for periodic levelisation is still high. We saw the number of inaccurate submissions increase by one from Year Four to Year Five but due to the increased number of suppliers, this suggests a slight improvement in percentage terms. However, we would like to see more of an improvement and we will continue to look at ways to address this in the coming year. We will continue to work with individual suppliers that persistently misreport and we will also consider what further action we can take against those suppliers who do not take any action to address their repeated failings.

1.21 There were three times when licensees made late payments into the quarterly levelisation fund. Each of these instances was managed so as not to delay the levelisation process and all funds were redistributed among suppliers by the required deadlines. We have ensured that the suppliers involved have put sufficient measures in place to prevent this from occurring again.

1.22 The audits submitted for annual levelisation were generally acceptable and there were fewer problems than in previous years. We issued a detailed scope document to all suppliers before annual levelisation, to make sure they were all aware of the audit requirements. We also discussed annual levelisation audits at a workshop with licensees and gave guidance ahead of the audits taking place. We believe that as a result of these measures the standard of the audit reports improved.

## Administrative and other legislative non-compliance

1.23 There were some minor administration issues identified during the year, such as incorrect advice being given to generators by licensees. These were dealt with by communicating with the relevant licensees and providing additional guidance.

1.24 There were a few instances where licensees provided information that we had requested late. This affects our ability to administer the scheme efficiently and, in some cases, we raised concerns over licensee's internal procedures and ability to meet deadlines. As with other minor issues, we have liaised with the licensees concerned to ensure they understand the need for prompt reporting and we have made sure that they have taken steps to prevent recurrence.

## Counter fraud

1.25 We have certain checks and procedures in place which are designed in such a way that it is easy for either us or licensees to identify any potential fraudulent activity. There were a few incidents where licensees reported potential fraud cases to us this year. We investigated, and where there were strong grounds to suspect potential fraud, the matter was reported to law enforcement via Action Fraud. On other occasions we found that either the licensee had not received all of the relevant information or that a genuine mistake had been made by the generator. In all cases, corrective action was taken and no fraudulent activity was found.

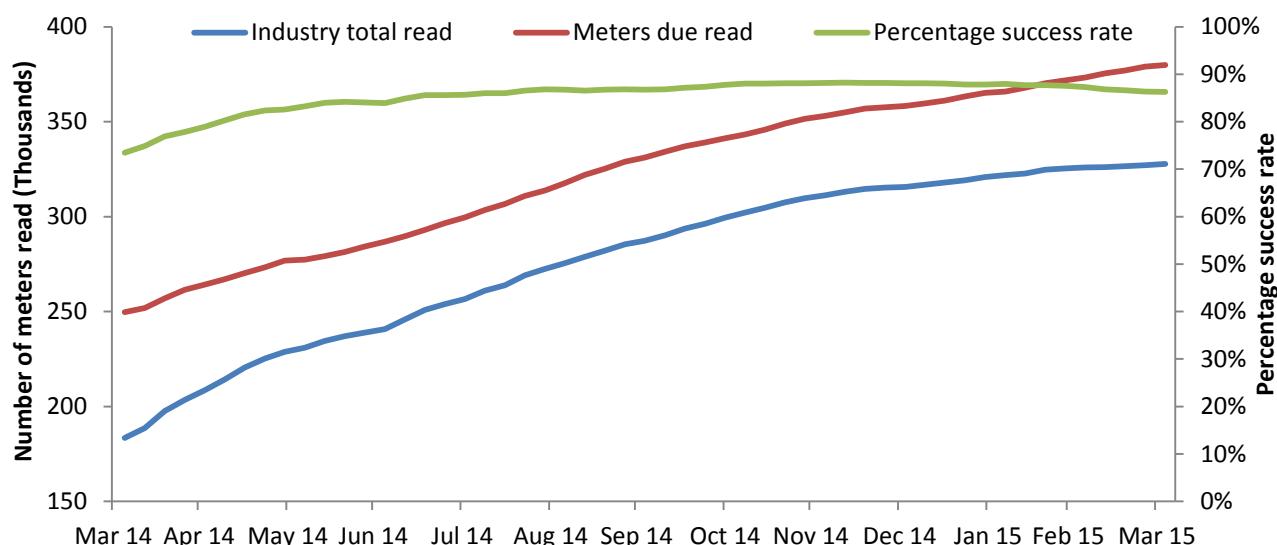
1.26 This year our counter-fraud team increased its engagement with licensees and held regular workshops with licensees and other stakeholders. Licensees are now being made more

aware of potential fraud cases and our counter-fraud team continues to investigate and take action where appropriate. This increased engagement led to increased levels of reporting of suspected fraud during the final month of the year.

## Biennial meter verification

1.27 All licensees are required to take all reasonable steps to verify meter readings at least once every two years. We reported last year how licensees had struggled to maintain their success rates in previous years. However, thanks to our ongoing communication and interaction with licensees, the overall success rate rose steadily at the start of the year before settling in the late summer and then decreasing slightly towards the end of the year, as shown in **Figure 1.4**. This decrease was due to the AMR grace periods which are discussed below.

**Figure 1.4: Biennial meter read success rates**



1.28 Over the last year we worked closely with the five licensees that were causing concern in Year Four. Three of these licensees met their targets by May 2014. The other two remained under special reporting conditions and managed to achieve an acceptable level of compliance by late 2014. Since then, we have had no concerns over their ability to keep up with the expected success rates.

## Automatic meter read verification

1.29 Previously, the only way to complete biennial verification was for the licensee to physically read the meter. We asked for alternatives in our early versions of guidance and no other viable options were suggested. In June 2014 it was suggested to us that we should allow meters that can be read remotely to be verified remotely too. In July 2014 we issued temporary guidance to licensees stating that it was not necessary to physically read remotely-read meters while we investigated the issue. This meant that a number of remotely-read meters were not read between July 2014 and March 2015.

1.30 As part of our investigation into remotely read meters we commissioned an independent report and held discussions with various industry representatives. It became evident to us that not all remotely read meters were reliable and secure enough to be used to verify the meter readings remotely. However, automatic meter readers (AMRs) were considered to be sufficiently secure and reliable as long as they met certain criteria. As a result, we opened a consultation on verification of AMRs in mid-December 2014 and published our response to the consultation and an updated guidance in late March 2015. Our new

guidance lets licensees remotely verify AMRs as long the generator can demonstrate to the licensee that their AMR meets the criteria in our guidance.

1.31 Rent-a-roof companies and social housing groups that are collectively known as multi-site generators (MSGs) own a large number of installations that have AMRs installed. They use AMRs so that the site occupier does not need to submit meter readings or arrange access to someone employed to read the meter. This also means that the MSG does not have to pay for meter readers to visit, in some cases, thousands of homes each quarter.

1.32 Knowing that many licensees had not verified remotely-read meter readings during the time we were investigating the use of AMRs, we allowed two grace periods. Both grace periods were granted in Year Six and their lengths depended on the number of meters each licensee has in their portfolio. Licensees with fewer than 1,000 meters were given three months to verify the meter readings for AMRs. All other licensees were given six months. All licensees achieved verification of AMRs within the allowed time periods.

1.33 These changes have made meter verification much easier for licensees and MSGs. They will also have knock on effects for consumers as we expect licensees to save approximately £1m a year.

## FIT licensee audits

1.34 We audited twelve licensees this year to make sure that they could fulfil their obligations. When selecting licensees to audit we take several considerations into account, such as the size of their generator portfolio, size of the company as an electricity supplier, the number of issues encountered during the previous year, time since their last audit and how long they've participated in the scheme.

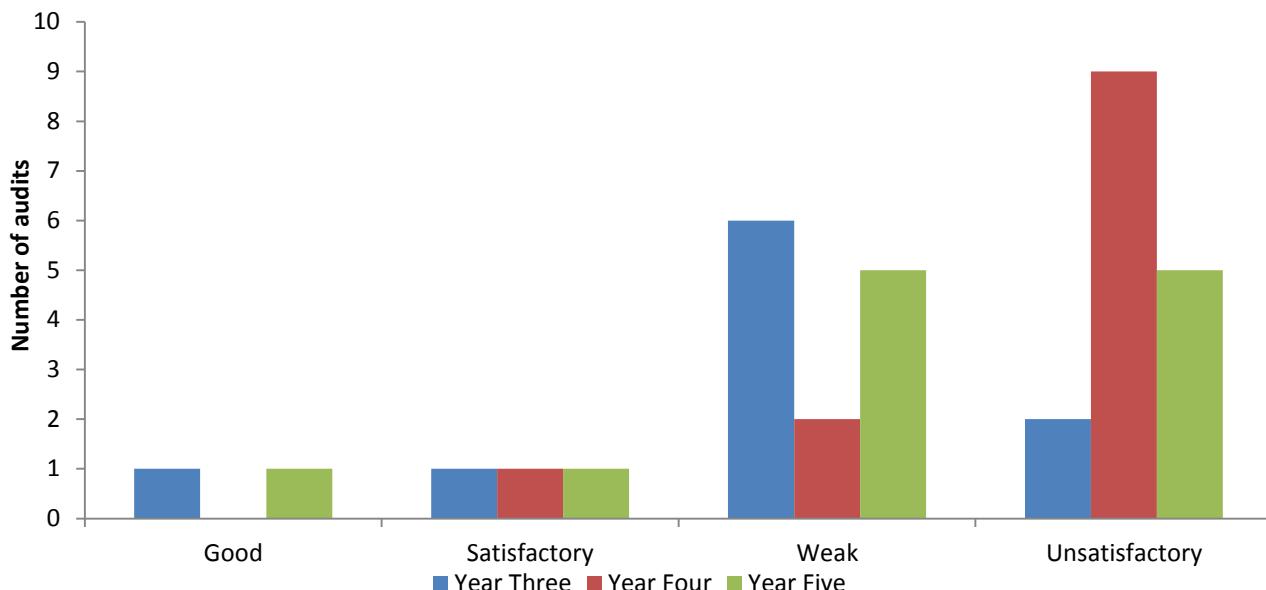
1.35 Our risk-based selection targeted those who we felt were most likely to have problems, specifically smaller licensees, new entrants and those who had issues throughout the previous period. This resulted in a number of unsatisfactory and weak audit findings though there were fewer unsatisfactory reports this year than last, as shown in **Figure 1.5**.

1.36 Some of the common failings we found in the audit programme this year included inaccurately applying eligibility dates, not completing biennial meter verification and assigning incorrect tariff rates. We have updated our guidance to further clarify these common weak areas and have discussed them at licensee workshops. We also found examples of good practice and have shared a good practice report with licensees so that they may introduce these examples if they wish.

1.37 One audit found that some of the licensees' generators had been slightly underpaid or overpaid because of an error with the tariff that they had been assigned. This meant that some payments had to be recalculated. We have since worked with the licensee to analyse how the error occurred and make sure there are sufficient measures in place so that it does not happen again. All of the affected generators have since been reimbursed.

1.38 All bar the few findings mentioned above had little or no effect on FIT payments or levelisation calculations. They did however have an effect on how licensees deliver the scheme and as such required action to rectify failings.

**Figure 1.5: Licensee audit scores FIT Year Five**



1.39 In total we identified 110 findings. This has decreased from the previous year when 158 findings were identified. The overall results were split into four categories:

- Unsatisfactory - major issues found in audit, ie weakness in controls and non-compliance.
- Weak - moderate issues found in audit, ie improvements to be made and some issues of non-compliance.
- Satisfactory - only minor issues found during the audit, usually only a few actions.
- Good - no audit findings, with no recommendations made.

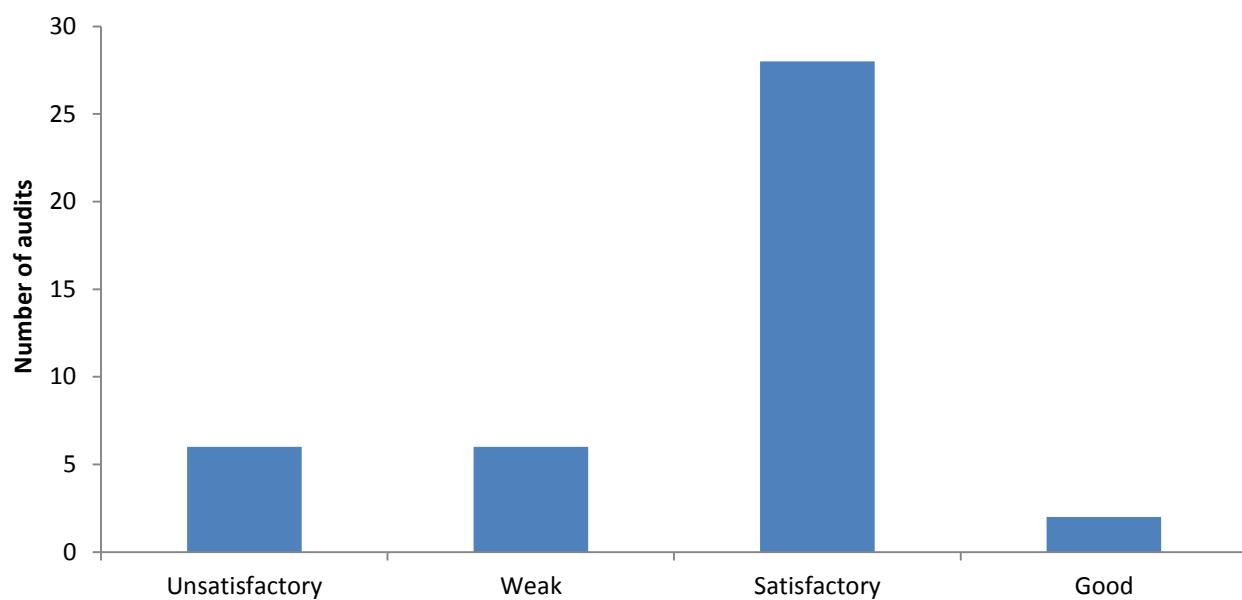
1.40 All audited licensees were given a deadline for addressing the audit findings and our audit team is still working with licensees to make sure that all recommendations and actions are addressed by these deadlines.

## FIT generator audits

1.41 Each year we carry out a number of audits on ROO-FIT generating stations to verify that correct information has been submitted to us during the application process. The generating stations that we select for audits are a mixture of those we have specific concerns about and those we select at random or representative examples of a particular class of installation, for example technology type or capacity.

1.42 This year we audited 42 generating stations. The majority achieved a satisfactory rating. Some audits revealed irregularities that suggested the information supplied in the accreditation applications for particular generating stations was inaccurate. Some of the more major issues we identified included an incorrect commissioning date being given at accreditation which resulted in a station receiving a higher tariff rate than it should have. Another station applied for a higher 'standard' tariff when it should have applied for the lower 'stand-alone' tariff. We have taken action, along with the relevant licensees, to recoup any money that has been overpaid due to inaccurate information submitted at accreditation. No instances of fraud were identified in these cases.

**Figure 1.6: ROO-FIT Generator audit scores in Year Five**



## Ofgem's enforcement powers

1.43 All licensees are required to comply with their licence conditions and the Authority may take enforcement action if licensees do not comply. Decisions on whether or not to take action are made on a case by case basis and steered by Ofgem's Enforcement Guidelines<sup>6</sup>.

<sup>6</sup> [Ofgem enforcement guidelines](#)

## 2. FIT scheme costs

### Chapter summary

The cost of the scheme has risen this year and the total levelisation value came to £866m. Generation payments of £850m were paid to scheme participants. Our administration costs remain low and stable at £3m. The scheme is estimated to have saved 2m tonnes of CO<sub>2</sub>e since the beginning of the scheme and the marginal cost per tonne of CO<sub>2</sub>e has dropped to £249 this year.

2.1 The levelisation process allows certain scheme costs to be redistributed across all licensed electricity suppliers. Levelisation requires all suppliers to bear a proportion of costs based on their respective market share.

### Year Five payment overview

2.2 All quarterly levelisation processes during Year Five were completed within the required deadlines. The annual levelisation reconciliation process was completed in full before the legislative deadline of 1 October 2015.

**Figure 2.1: Total costs by payment type in Year Five**

Cost	Total	Description
FIT generation payments ( <b>A</b> )	£850,823,544	The total cost in payments made to accredited generators, for on-site generation.
Total deemed export payments ( <b>B</b> )	£29,791,684	The total payments made to accredited generators for electricity that is deemed to have been exported to the grid.
Qualifying FIT costs ( <b>C</b> )	£12,356,780	The total administration costs allocated to FIT licensees. The administration costs are determined annually by the Secretary of State <sup>7</sup> .
Value of net deemed export ( <b>D</b> )	£27,418,033	The total value of net deemed export is defined as the amount of electricity deemed to have been exported by all accredited installations multiplied by the System Sell Price (SSP) for the annual period. This is the equivalent wholesale market price.
Levelisation fund ( <b>=A+B+C-D</b> )	£865,553,975	This figure represents the cost of the scheme over the year.

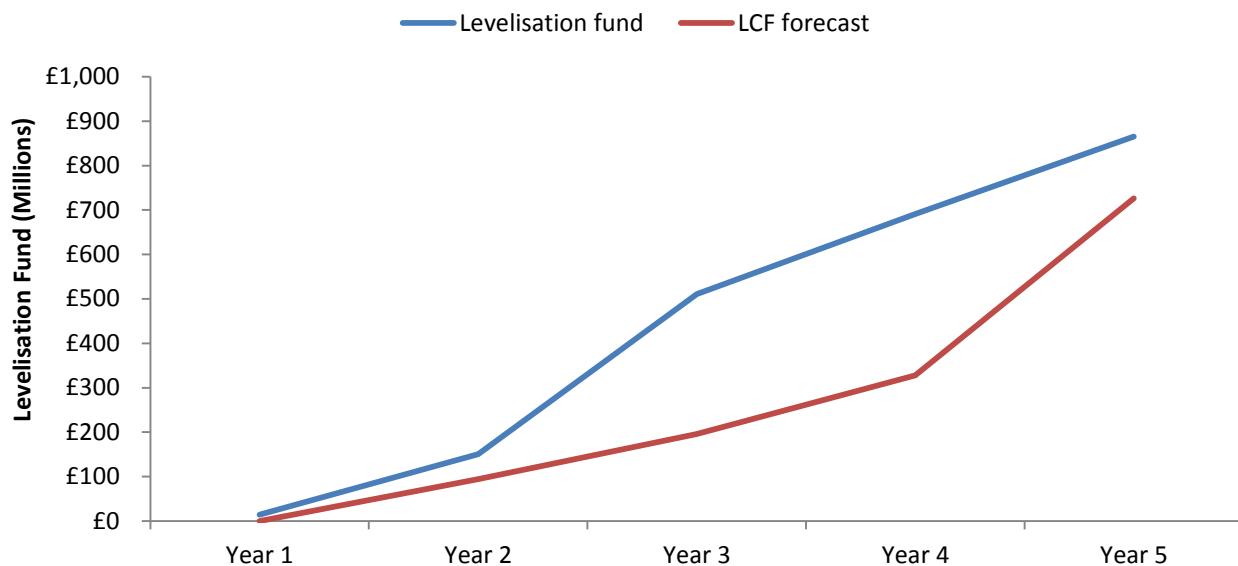
2.3 The total value of export payments made to accredited generators in Year Five was £31,993,506. This figure includes the total payments made to generators based on both metered export and deemed export of electricity.

### Yearly cost comparison

2.4 **Figure 2.2** shows the total amount of money in the levelisation fund each year compared to the FIT proportion of the levy control framework (LCF) forecast. The LCF is used to ensure that costs to consumers arising from government energy policies are controlled and sets a limit to how much should be spent on the FIT scheme each year. The LCF has not been fully effective in controlling the cost of the scheme and the LCF has been breached every year since Year One. This year the LCF was breached by £140m.

<sup>7</sup> <https://www.gov.uk/government/publications/feed-in-tariffs-fits-determinations>

**Figure 2.2: Total levelisation fund and LCF forecast**



## Administration costs

2.5 Our admin costs have risen marginally since the start of the scheme, but over time have shrunk as a proportion of the overall costs of the scheme and we continue to offer value for money, our administration costs equate to only 0.34% of the total cost of the scheme.

2.6 This year our admin costs came to just under £3m, this increased since last year (£2.7m) because we have had to employ additional resource to process large volumes of ROO-FIT applications.

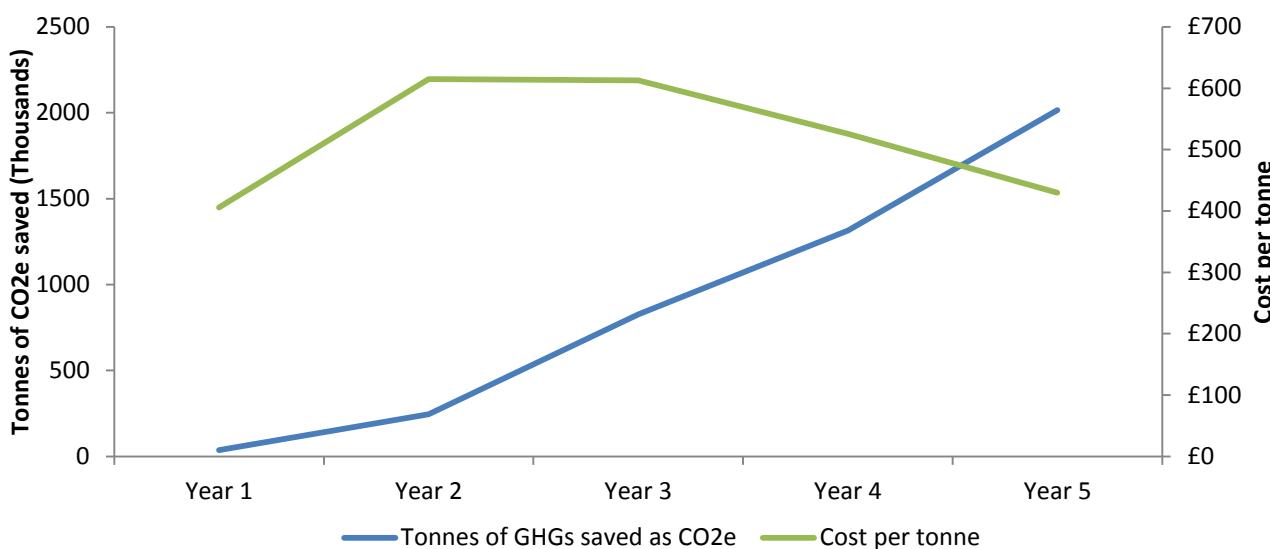
## Cost of carbon

2.7 A total of 2 million tonnes of CO<sub>2</sub>e was estimated to have been saved during Year Five. This was calculated using the average emission factors during the year (CO<sub>2</sub>/kWh equivalent)<sup>8</sup>, along with the annual generation figures provided by licensees during the annual levelisation process. **Figure 2.3** shows the total emissions estimated to have been saved by the scheme each year and highlights the continued and substantial non-cumulative increase in CO<sub>2</sub>e saved each year.

2.8 This chart also shows the average cost per tonne of carbon dioxide for each year. This was calculated using the total annual tonnes of CO<sub>2</sub>e saved against the value of the levelisation fund ('scheme value'). These figures highlight the improved efficiency in the cost of CO<sub>2</sub>e, from a peak in Year Two at £615, to a value of £430 in Year Five.

<sup>8</sup> Figures obtained using annual weighted emission factors from electricity generation, transmission and distribution from DEFRA's Greenhouse Gas (GHG) Conversion Factor Repository at [ukconversionfactorscarbonsmart.co.uk](http://ukconversionfactorscarbonsmart.co.uk)

**Figure 2.3: Tonnes of CO<sub>2</sub>e saved (non-cumulative) and cost per tonne by year**

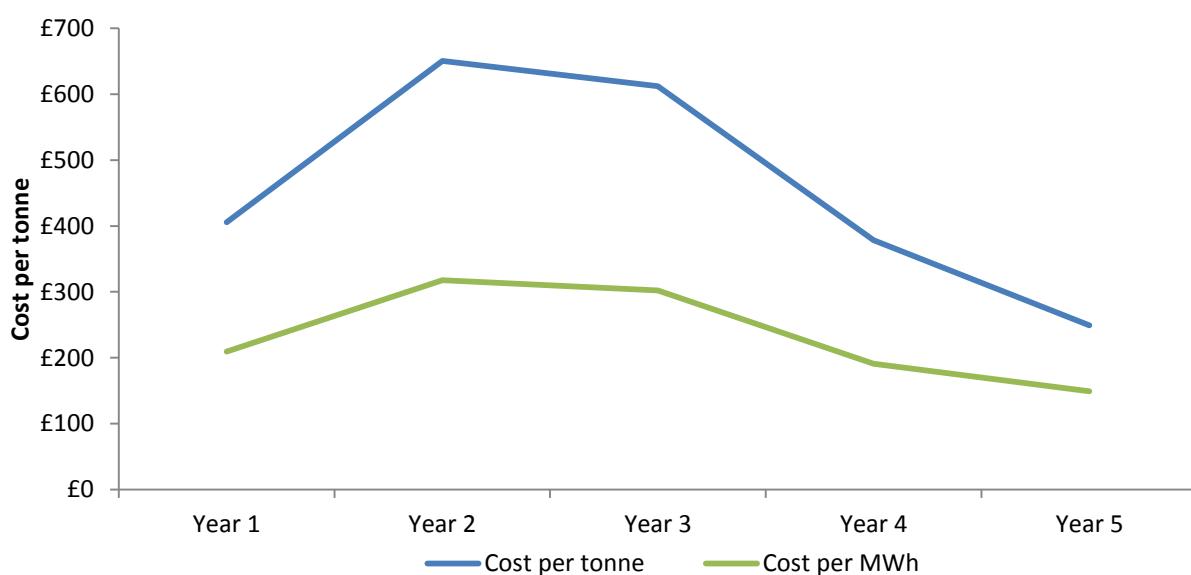


## Marginal cost of generation

2.9 **Figure 2.4** shows the marginal cost (based on new installations registered during that FIT Year) of CO<sub>2</sub>e saved per tonne and by MWh generated in each year. These figures differ from the cost per tonne illustrated in Figure 2.6 by using the estimated figures for new generation and scheme value during the respective year only. This reflects the average cost of additional capacity within the year.

2.10 The marginal cost per tonne of CO<sub>2</sub>e saved peaked in Year Two at an average of £650.81, before falling in Years Three and Four. This trend is continued in Year Five, with the average cost per tonne at £249.06. This decline in the average cost per tonne is also mirrored in the average cost per MWh, and can largely be attributed to the reduction in the average generation tariffs from Year Two, and highlights the improved efficiency of the scheme. The cost per MWh fell from £317/MWh in Year Two to £149/MWh in Year Five.

**Figure 2.4: Tonnes of CO<sub>2</sub>e saved (non-cumulative) and cost per MWh by year**



2.11 **Figure 2.5** shows the scheme costs over the last five years, broken down by payment type. There has been a substantial increase in the total cost of the scheme since Year 4 in all payment types.

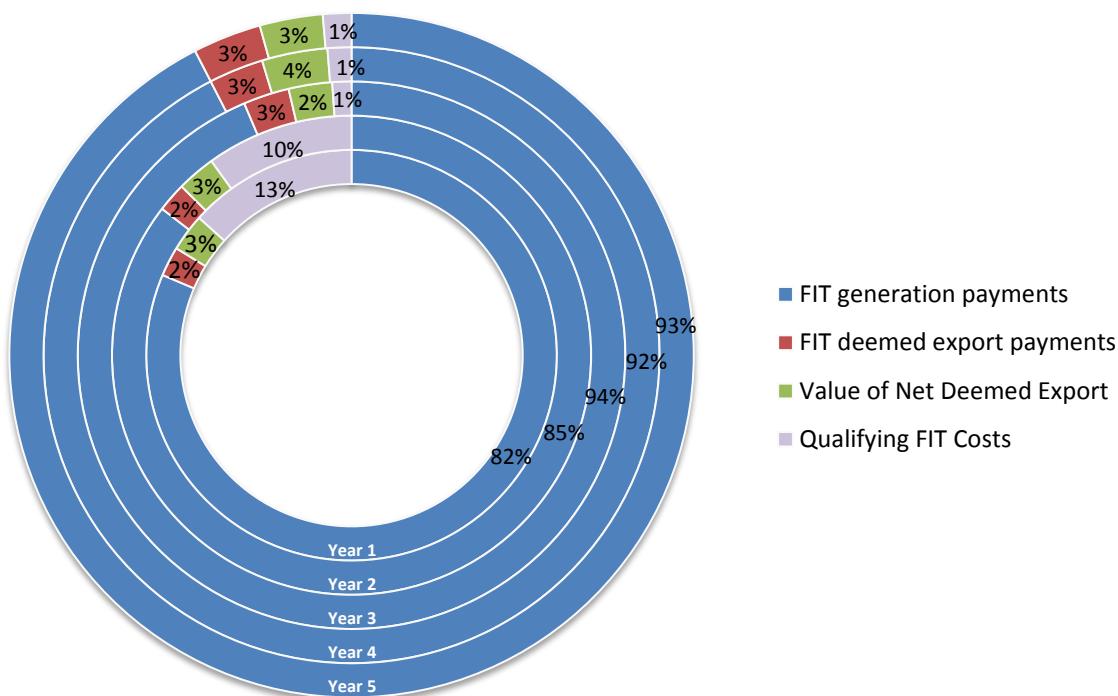
**Figure 2.5: Annual breakdown of scheme costs per year**

Year	FIT generation payments (A)	FIT deemed export payments (B)	Qualifying FIT costs	Value of net deemed export (D)	Total levelisation fund (A+B+C-D)
1	£12,487,029	£357,453	£2,044,560	£453,717	£14,435,325
2	£135,937,392	£3,137,646	£15,827,255	£4,146,229	£150,756,064
3	£504,272,611	£13,839,372	£6,085,200	£17,869,043	£506,328,139
4	£685,973,264	£21,302,774	£9,264,770	£25,549,525	£690,991,283
5	£850,823,544	£29,791,684	£12,356,780	£27,418,033	£865,553,975

2.12 The increase in total costs is due to the fact that accreditation activity increased at a faster rate than tariffs decreased. It is also important to note that those installations registered in preceding years will also have payment costs represented in subsequent years, for as long as the installation remains eligible.

2.13 **Figure 2.6** shows the breakdown of scheme costs by year and percentage. Over the five years of the scheme, the vast majority of costs can be attributed to generation payments, and this has remained a fairly static percentage (92%) over the last two years. Other costs such as the percentage of qualifying costs have also stayed static because of the individual costs for the registration of installations remaining the same over the last three years of the scheme.

**Figure 2.6: Annual breakdown of scheme costs by percentage**



## Total payments by FIT licensees

2.14 **Figure 2.7** shows the total reconciled FIT payments made to generators for Year Five by each individual licensee. The pre-reconciled quarterly figures for the year are shown in **Appendix 2**.

2.15 In Year Five all suppliers in GB supplied 290,044 GWh of electricity to consumers (both renewable and non-renewable electricity).

**Figure 2.7: Total Year Five FIT payments made by FIT licensees to generators\***

Licensee	Total generation payments made	Total export payments made	Total payments (sum)
British Gas Trading Limited	£99,705,549.46	£4,587,683.11	£104,293,232.57
Co-Operative Energy Limited	£2,681,160.75	£143,081.34	£2,824,242.09
E.ON Energy Solutions Limited	£148,982,713.63	£8,462,790.07	£157,445,503.71
EDF Energy Customers Plc	£57,405,831.37	£2,677,042.56	£60,082,873.93
Electricity Plus Supply Limited	£8,871,579.22	£552,747.39	£9,424,326.61
F & S Energy Limited	£1,814,945.57	£0.00	£1,814,945.57
First Utility Limited	£2,937,206.89	£262,785.60	£3,199,992.49
Flow Energy Limited	£55,751.72	£9,113.57	£64,865.29
GDF Suez Marketing Limited	£5,626,647.75	£3,610.10	£5,630,257.85
Good Energy Limited	£99,647,590.43	£3,816,269.63	£103,463,860.06
Green Energy (UK) plc	£3,095,924.15	£63,036.07	£3,158,960.22
I Supply Energy Limited	£2,595,481.95	£118,240.21	£2,713,722.16
NEAS Energy Limited	£984,395.96	£0.00	£984,395.96
Npower Direct Limited	£3,758,880.68	£217,363.39	£3,976,244.07
Npower Limited	£52,542,622.00	£1,202,677.00	£53,745,299.00
Npower Northern Limited	£22,269,114.00	£1,304,978.00	£23,574,092.00
Npower Yorkshire Limited	£2,262,699.19	£130,550.28	£2,393,249.47
Opus Energy Limited	£73,575,734.32	£106,585.19	£73,682,319.51
OVO Electricity Limited	£268,235.23	£40,275.12	£308,510.35
Scottish Power Energy Retail Limited	£48,054,215.98	£2,976,401.85	£51,030,617.83
Smartest Energy Limited	£67,260,185.31	-£175.60	£67,260,009.71
Spark Energy Supply Limited	£110,635.34	£17,225.09	£127,860.43
SSE Energy Supply Limited	£113,208,849.03	£4,786,470.18	£117,995,319.21
Symbio Energy Solutions LLP	£38,253.14	£5,201.24	£43,454.38
The Renewable Energy Company Ltd	£7,022,163.75	£439,400.57	£7,461,564.32
Total Gas & Power Limited	£12,373,126.07	£17,770.89	£12,390,896.96
Tradelink Solutions Limited	£13,635,457.43	£49,718.82	£13,685,176.25
Utilita Energy Limited	£38,593.23	£2,664.51	£41,257.74
<b>Total</b>	<b>£850,823,543.56</b>	<b>£31,993,506.18</b>	<b>£882,817,049.74</b>

\*Licensees (as listed in figures 1.2 and 1.3) that made zero payments are not listed.

## 3. Accredited FIT installations

### Chapter Summary

A total of 592,065 installations were registered at the end of FIT Year 5, solar PV makes up 99% of all installations. Domestic installations make up the highest proportion (96%). The number and capacity size of technologies other than PV have increased. This year 3,815 GWh of electricity was generated by FIT installations and FIT payments were made on 825 GWh of exported electricity.

### Eligible technologies

3.1 The scheme supports these renewable electricity and low-carbon technologies up to 5 MW:

- Wind
- Hydro
- Solar photovoltaic (PV)
- Anaerobic digestion (AD)
- Micro-combined heat and power (micro-CHP) (which are less than 2 kW)

### Number of registered installations

3.2 A total of 592,065 installations were registered<sup>9</sup> under the scheme on 31 March 2015. Of these, 99% were solar PV, with the other four technologies making up the remaining 1%.

**Figure 3.1: Number of installations registered by technology in Year Five**

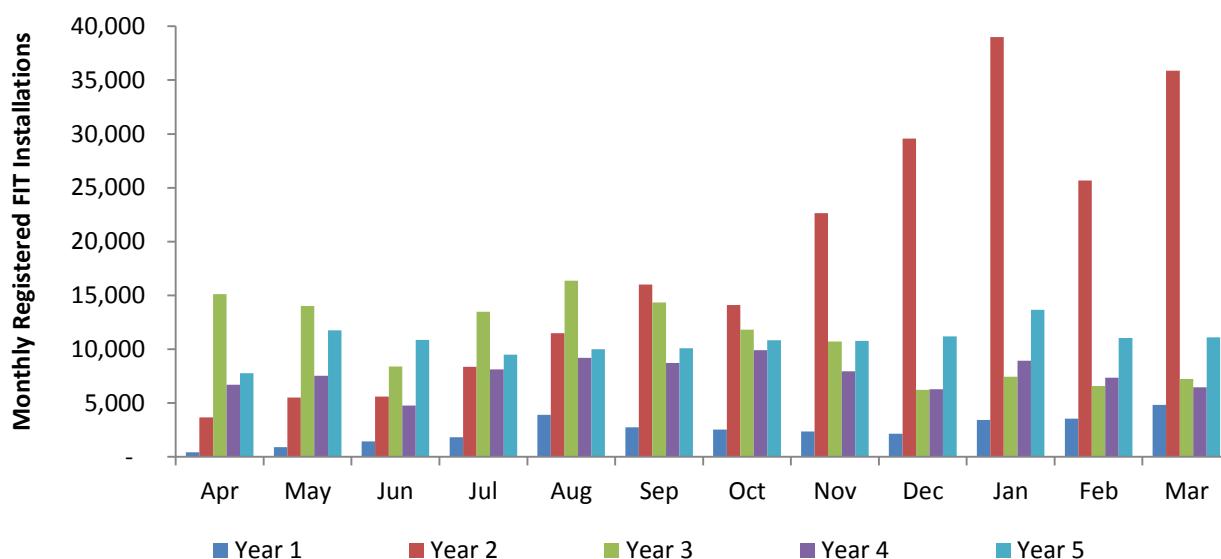
Month	AD	Hydro	Wind	Micro-CHP	Solar PV
April	5	9	82	1	7,664
May	6	7	123	0	11,605
June	7	9	163	4	10,681
July	4	7	72	1	9,395
August	3	8	65	0	9,912
September	7	16	70	1	9,992
October	0	2	58	0	10,756
November	3	11	41	1	10,701
December	15	10	103	1	11,060
January	6	11	80	0	13,565
February	13	11	62	3	10,949
March	14	22	108	2	10,942
<b>Total</b>	<b>83</b>	<b>123</b>	<b>1,027</b>	<b>14</b>	<b>127,222</b>

3.3 **Figure 3.2** shows a breakdown of the number of installations registered by month for each year to date. Other than a small seasonal variance, Year One and the first half of Year Two saw a steady increase in number of installations. In late 2011, the uptake increased substantially in advance of the large solar PV tariff cuts in March 2012. Uptake remained

<sup>9</sup> Within this report all statistics refer to installations based on their confirmation date. This reflects the date an installation is added onto Ofgem's Central FIT Register, and does not reflect the eligibility date of an installation.

relatively high in the early part of Year Three before dropping off towards the end of the year. Year Four was relatively steady with the overall uptake generally lower than the previous year. Year Five has seen an increase in installations being registered consistently across the year. The number of installations registered in Year Five was similar to Year Three and a third more than the total number registered in Year Four.

**Figure 3.2: Number of installations registered by month**



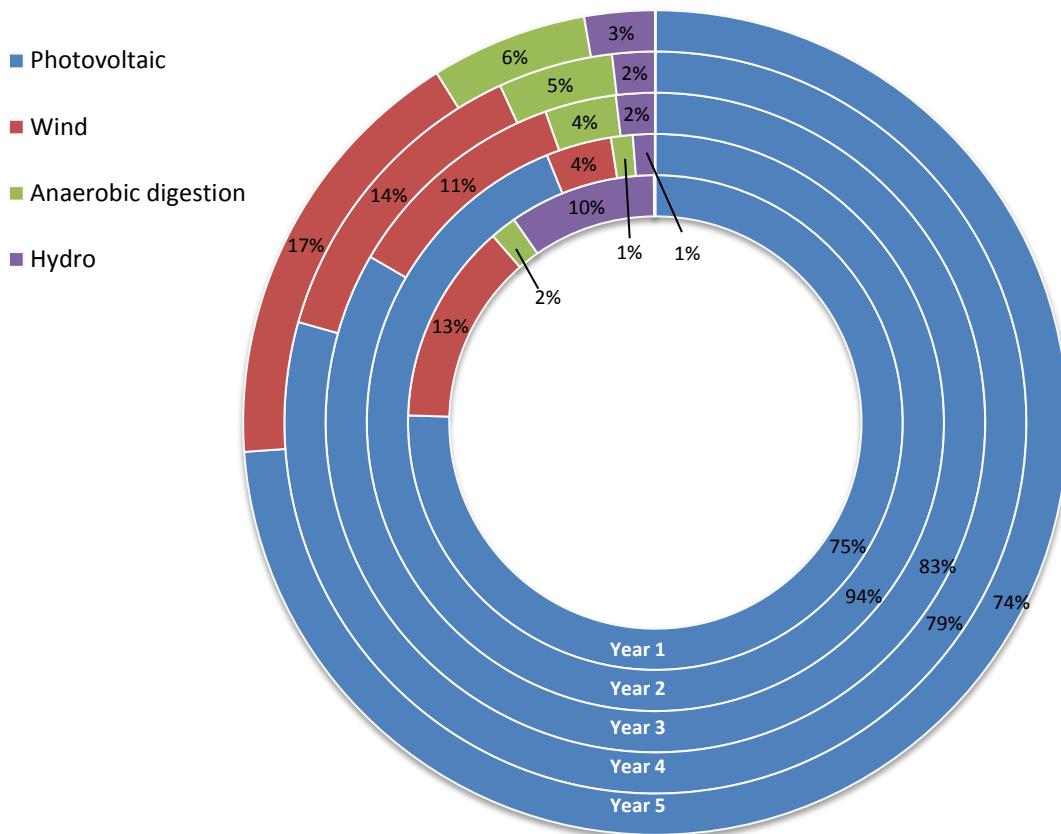
3.4 The number of installations registered in Year Five compared to Year Four has increased despite continuing cuts to tariffs. All technologies other than micro-CHP installations saw higher numbers registered in Year Five compared with Year Four.

3.5 At the end of Year Five around 2.2% of all homes in GB were generating electricity onsite from accredited installations. Approximately 2,470 new installations were added to the Central FIT Register (CFR) each week, this is an increase of around 700 new installations compared with Year Four.

## Capacity by technology type

3.6 **Figure 3.3** shows the total installed capacity (TIC) of all registered installations by technology type in comparison to previous years. On 31 March 2015 just over 3.3 GW in capacity was registered under the scheme. During Year Five, 921.4 MW of capacity was registered, this equates to roughly 28% of the scheme as a whole. The percentage share of solar PV has continued to fall over the last two years from 94% in Year Two to 79% in Year Four and 74% in Year Five. The percentage of installed capacity of wind has increased steadily from 4% in Year Two to 11% in Year Three, 14% in Year Four and 17% in Year Five. Similarly, AD has increased in proportion from 1% in Year Two to 6% in Year Five. Hydro capacity has also increased since Year Two from 1.2% to 2.8% in Year Five. Micro-CHP makes up less than 1% of the TIC and is not shown in Figure 3.3.

**Figure 3.3: TIC by technology type**



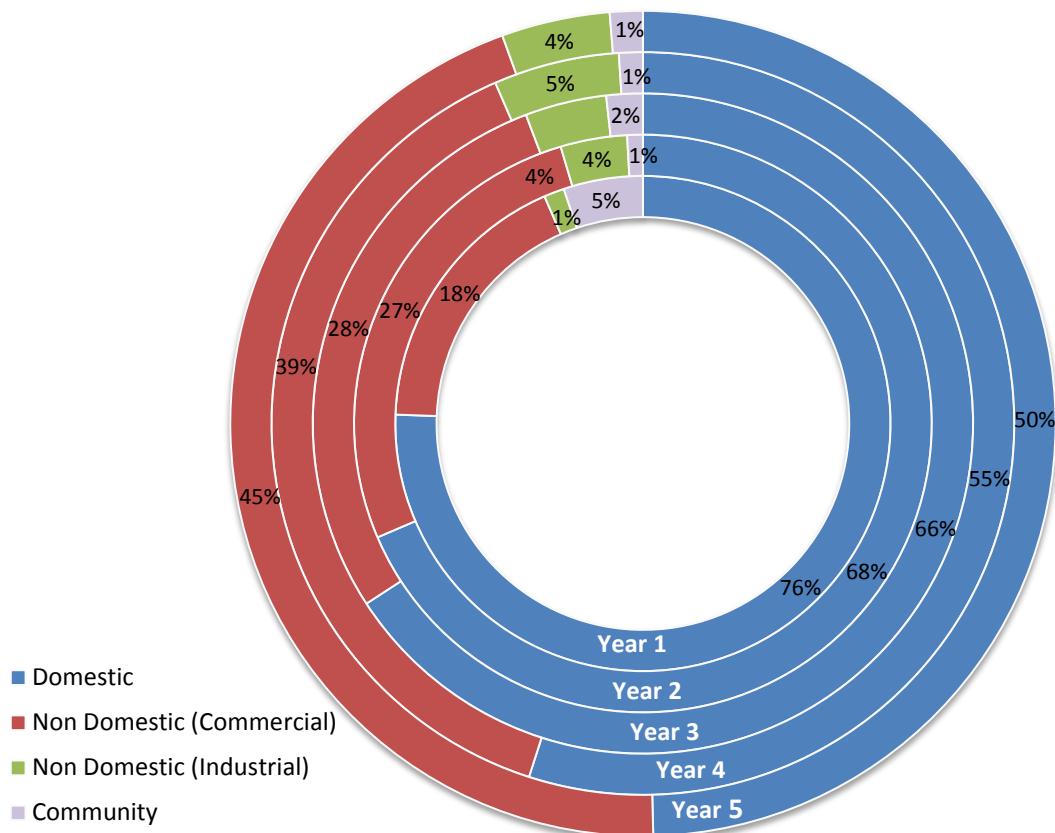
## Capacity by installation type

3.7 An installation's 'type' is set on registration. It identifies whether it is domestic, commercial, industrial or a community installation. References to community type installations do not necessarily relate to the 'Community Organisation' as defined by the Order<sup>10</sup>. **Figure 3.4** shows the TIC of different technology types by each year. The graph shows that the proportional capacity of commercial installations has continued to grow steadily from 18% in Year One to 45% in Year Five as commercial property owners become more aware of FITs long term investment opportunities. The proportional capacity of domestic installations has decreased substantially from 76% in Year One to 50% in Year Five.

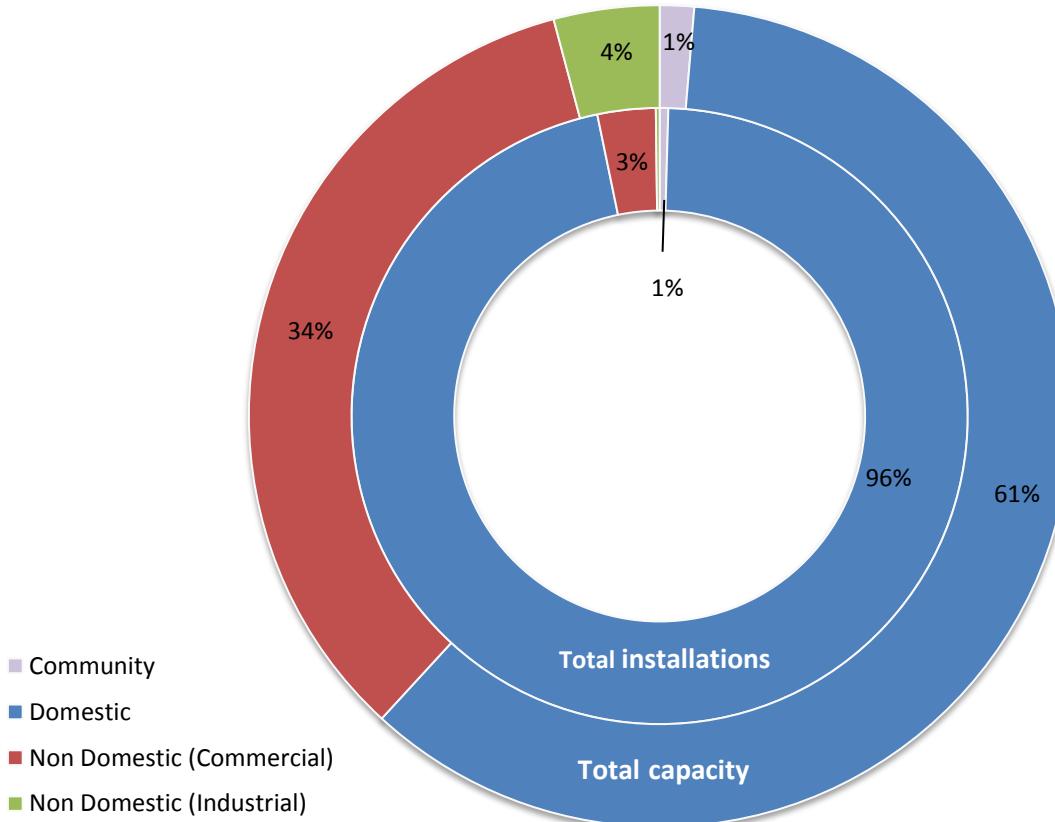
3.8 **Figure 3.5** breaks down all installation types by the percentage of TIC and number of installations registered at the end of Year Five. Domestic installations make up the largest proportion of installations (96%). These domestic installations make up 61% of the total installed capacity. Commercial installations make up only 3% of the total number of installations registered, but make up 34% of the total capacity. This indicates the larger average size of commercial installations registered under the scheme.

<sup>10</sup> In this respect community would mean any installation owned, operated, benefiting or located at a community site. It is a description used within the CFR for statistical reporting and pre-dates community and schools legislations.

**Figure 3.4: Total installed capacity by installation type for each FIT Year**



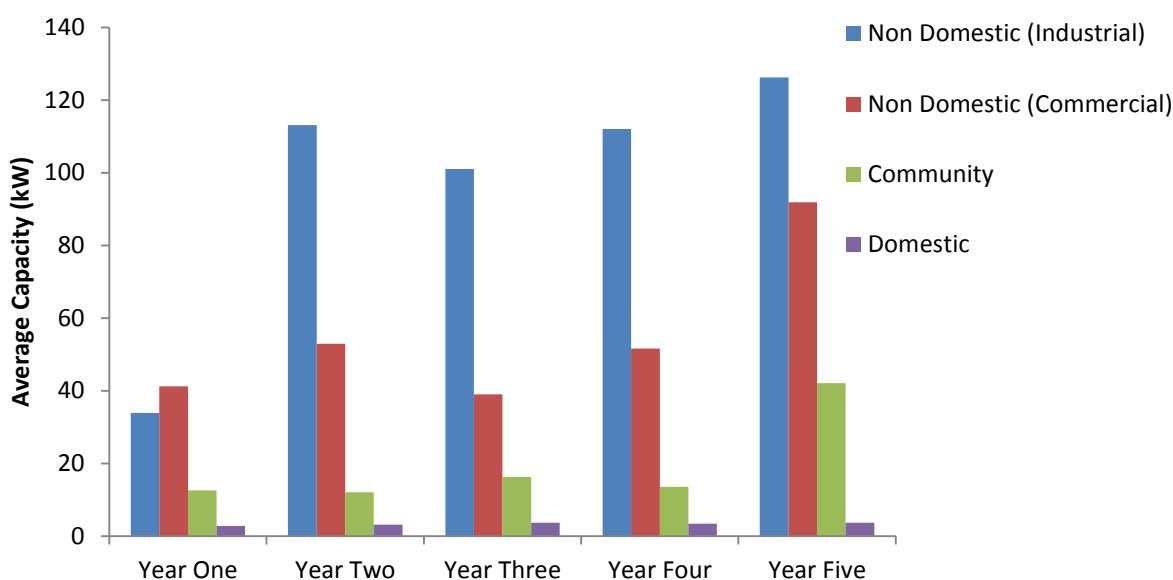
**Figure 3.5: Total installed capacity by installation type since the start of the scheme**



## Average TIC per installation by technology type

3.9 **Figure 3.6** displays the average TIC of installations by installation type for each of the five years of the scheme. This shows that the average capacity of domestic installations (3-4 kW) has differed very little. The average size of community installations remained constant for the first four years and was between 12-16 kW. However, in the last year this figure has roughly tripled to 42 kW. This is because of the high number of ROO-FIT community installations registered in this period. One PV community installation registered had a TIC of 2.9 MW. The average capacity for non-domestic industrial installations has also increased to the highest average capacity seen since the start of the scheme. The average capacity for non-domestic commercial installations has risen from 52 kW in Year Four to 92 kW in Year Five. Thirty-Seven of the 100 largest non-domestic commercial installations were registered in Year Five.

**Figure 3.6: Average capacity by installation type**

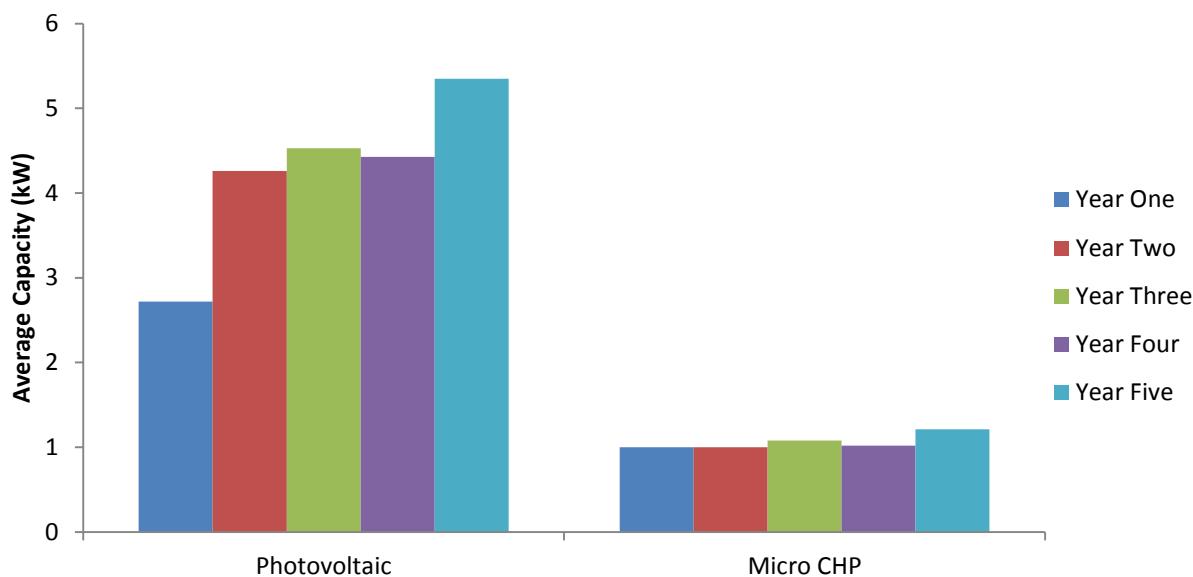


3.10 There is a breakdown of the average TIC of installations by technology type in **Figures 3.7 and 3.8**. The average capacities of different technology types vary substantially. The average capacity of all technologies increased between Year Four and Year Five, with the exception of AD.

3.11 Figure 3.7 shows that the average installation size of solar PV is increasing year on year. The average capacity for PV has particularly increased between Year Four and Year Five. In Year Four the average capacity was 4.4 kW, and at the end of Year Five it was 5.4 kW, almost double what it was in the first year. This increase is not only attributable to an increase in the number of large scale PV installations being accredited through the ROO-FIT accreditation route, but that the smaller micro-generation installations which have also seen an average year-on-year increase.

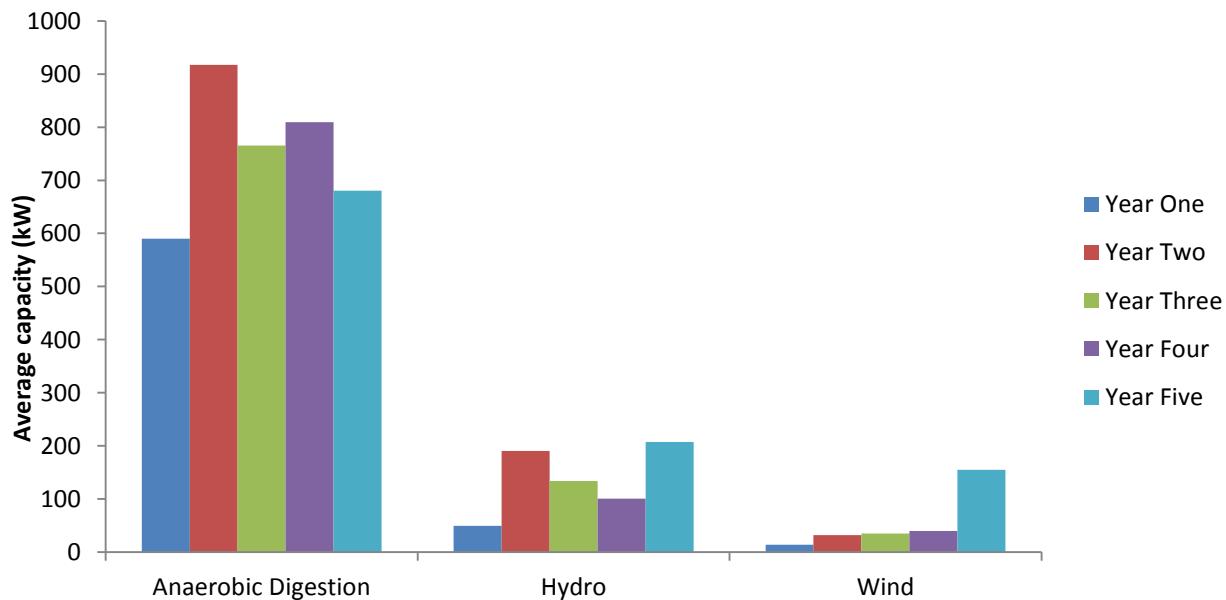
3.12 The average capacity of micro-CHP has been steady over the last five years, with a slight increase in average capacity in Year Five as shown in Figure 3.7. Only 14 micro-CHP installations were registered in Year Five which explains the small change in the average capacity this year.

**Figure 3.7: Average capacity by technology type (solar PV and micro-CHP)**



3.13 Figure 3.8 shows that the average capacity of AD has fluctuated over the last five years. There has been a significant rise in the number of AD plants registered in Year Five compared with previous years. Between Year Four and Year Five the total number of installations doubled. This increase could be attributed to the maturity of the ROO-FIT preliminary accreditation process as the 12 month validity period for the first wave of AD installations came to an end in Year Five resulting in several AD installations fully commissioning.

**Figure 3.8: Average capacity by technology type (AD, hydro and wind)**



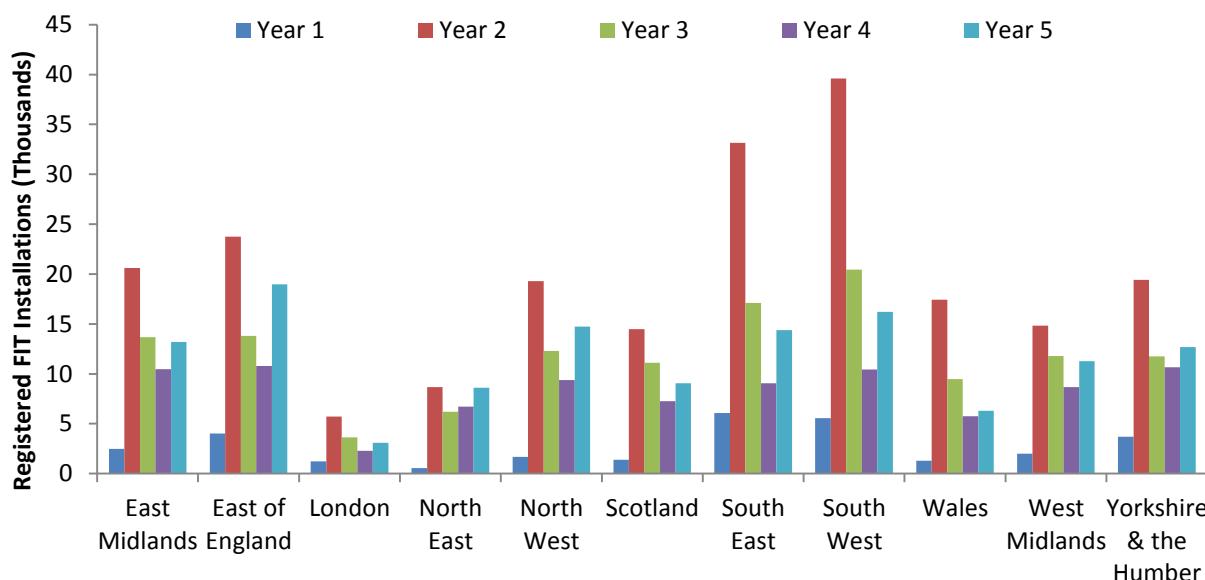
3.14 Year Five has seen both an increase in the numbers and size of hydro installations compared with Year Four. In Year Five, 123 hydro plants were registered under the scheme compared with 92 in Year Four. Figure 3.8 shows that the average TIC has more than doubled from 101kW in Year Four to 208kW in Year Five and is the highest average capacity registered.

3.15 Figure 3.8 also shows that the size of wind installations has increased steadily between Year One and Year Four. In Year Five we saw a large increase in the average size of wind installations. This is likely due to the reduced cost of turbines that are close to the upper tariff boundaries. The number of wind installations registered has varied from year to year ranging from 740 in Year Five to 2,227 in Year Three.

## GB regional overview

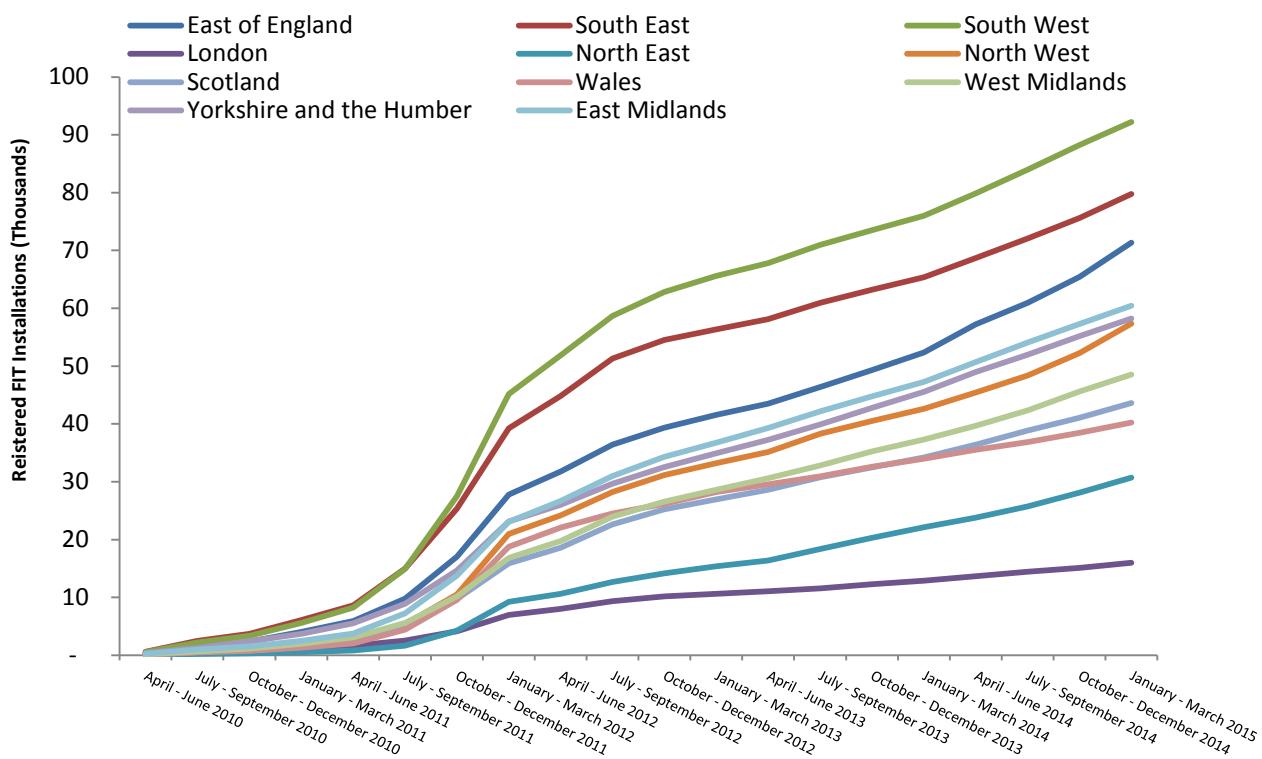
3.16 **Figure 3.9** shows the registration of installations by GB regions in each FIT Year. In Year Five, all regions saw an increase in the numbers of installations compared with Year Four. The east of England shows the largest increase in installations compared to the previous year. The south west continues to have the highest number of installations for a region. London has the lowest number of installations.

**Figure 3.9: Regional uptake since 1 April 2010**



3.17 **Figure 3.10** shows the total number of installations from 1 April 2010 to 31 March 2015 across all regions. There is still a growing disparity between these regions. The north west shows the biggest increase per quarter.

**Figure 3.10: Cumulative uptake by region**



3.18 **Figure 3.11** details the breakdown of total capacity (kW) by region within GB and the percentage of capacity by technology. The largest capacity is in the south west, with 666 MW, followed by the south east with 399 MW and Scotland with 365 MW.

3.19 The north west and north east have seen the biggest proportional growth in capacity throughout Year Five compared with the total capacity by the end of Year Four. In the north east 28% of the total deployment of capacity was in Year Five, and this figure was 26% in the north west. The lowest proportional uptake per region in Year Five was in Wales with 16% of the total capacity since the start of the scheme being deployed in Year Five.

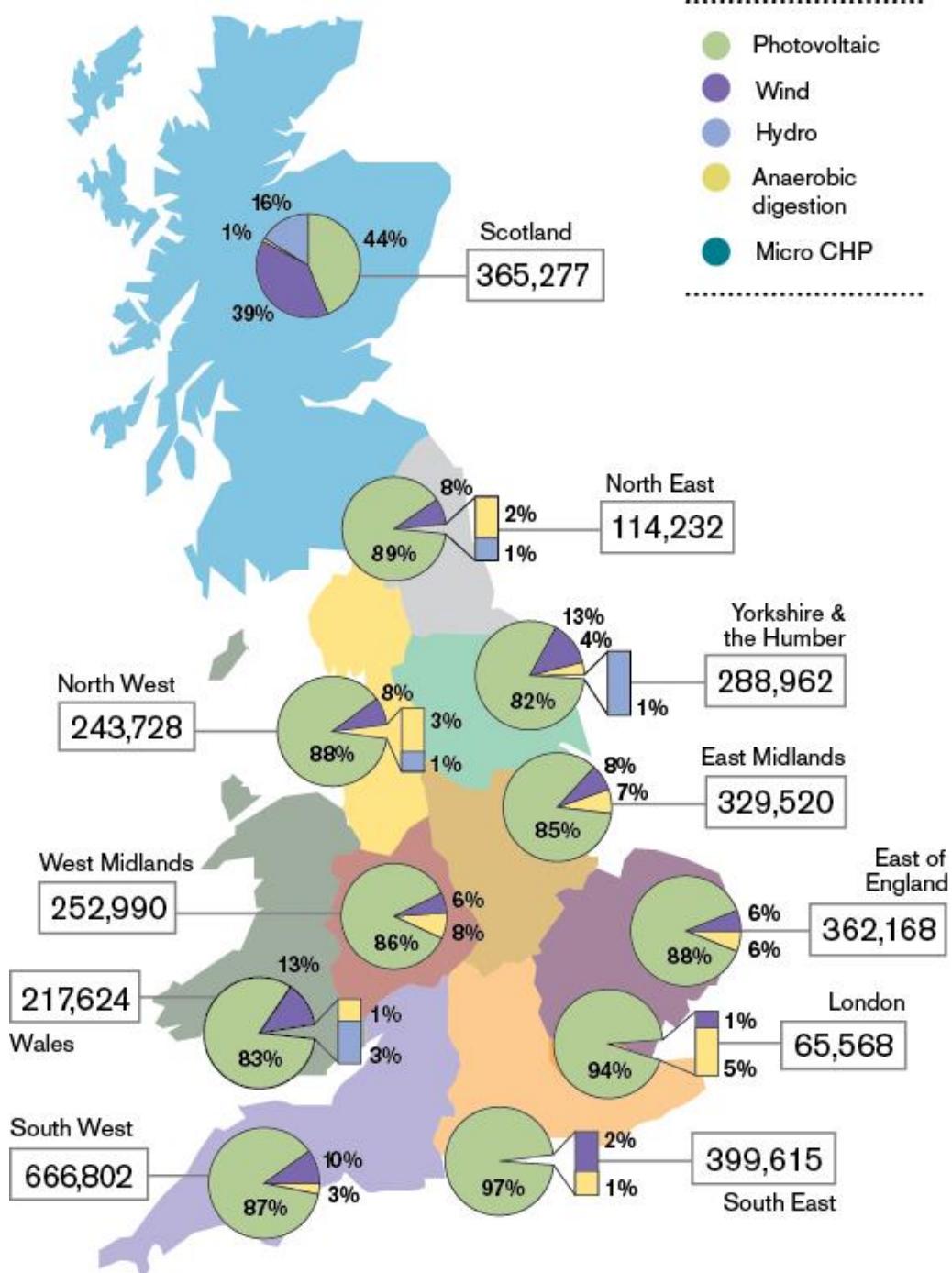
3.20 For all regions, except Scotland, solar PV installations make up the majority of the capacity with PV installations contributing to 82% or more of the capacity. In Scotland 44% of the capacity is solar PV. Since Year Four the proportion of PV capacity in Scotland has dropped by 5%, the capacity of the other technologies have all increased by a small percentage.

3.21 The London region saw a 5% increase in capacity from Year Four to Year Five due to the accreditation of one AD plant.

3.22 Due to the very low number of micro-CHP installations (495 - 0.08%), they are not shown in the charts below.

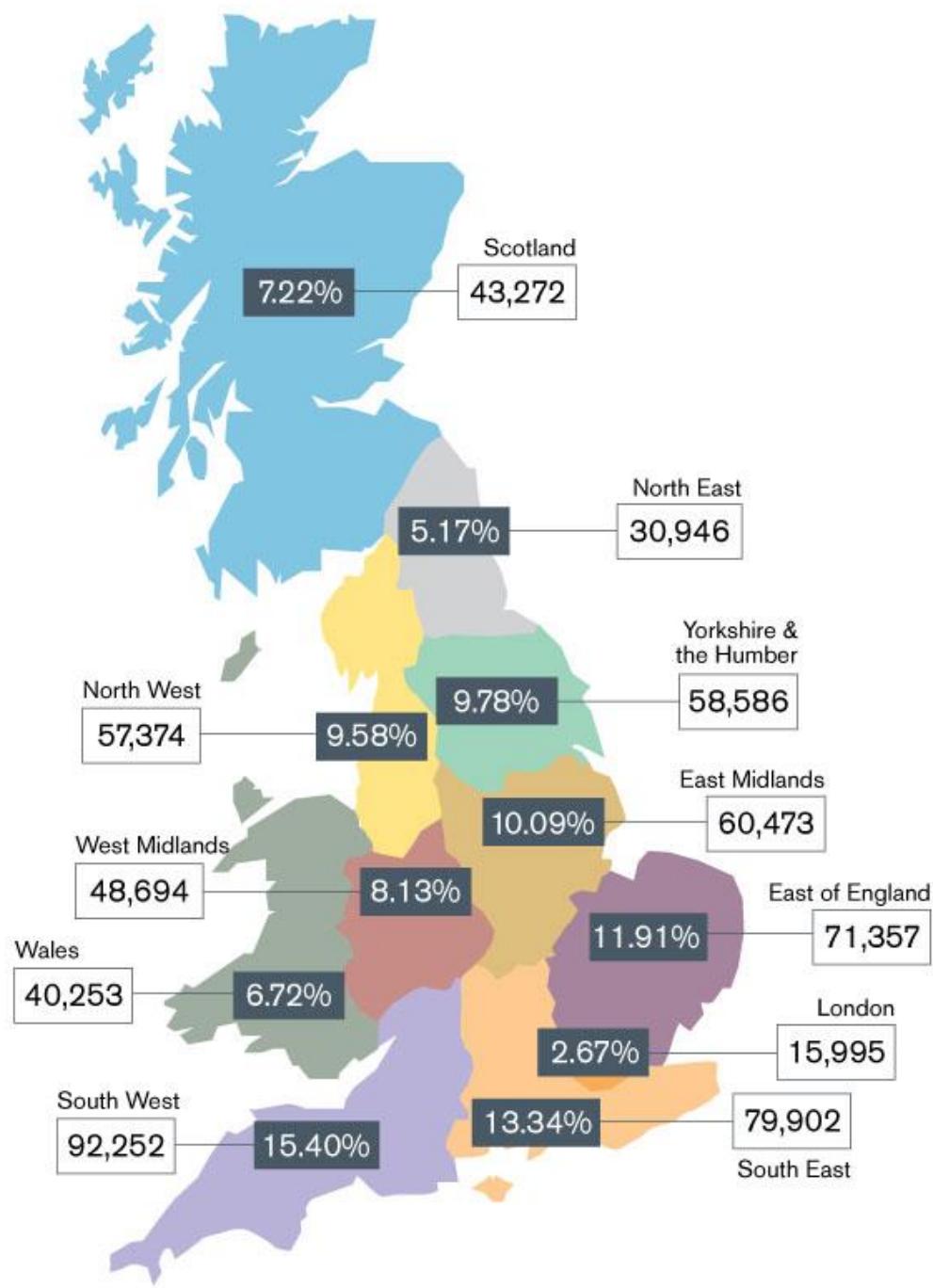
# Feed-in Tariff

**Figure 3.11: Regional breakdown of TIC (kW) and technology type**



3.23 **Figure 3.12** provides an overview of the total number of registered installations by region (shown in the white boxes) and the percentage of total installations across GB (shown in the black boxes). It shows that the majority of installations are again in southern regions. Scotland has just over 7% of the total number of FIT installations but represents 11% of the total installed capacity.

**Figure 3.12: Regional breakdown of registered installations**

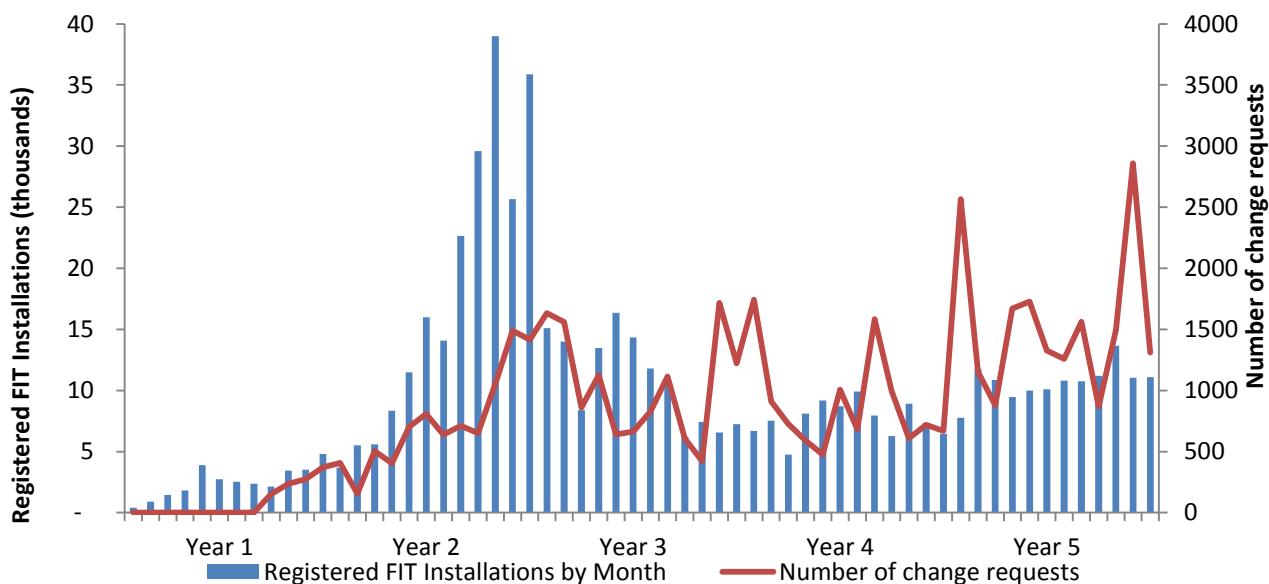


## CFR change requests

3.24 We monitor the number of requests that are sent from licensees to make changes to the CFR. **Figure 3.13** shows the number of installations added in a month and the number of change requests received by us. The overall percentage of change requests per installations has increased by 2% since last year. This can be attributed to the large increase in biennial meter reading verifications which highlighted incorrect information on the CFR. The errors were mainly small data entry errors (e.g. incorrect serial numbers) and not substantive errors associated with fraudulent activity. Although this has increased the work for the CFR team and the licensees, it means that the data on the CFR is more accurate.

3.25 This year we saw more change requests from biennial meter verification because all of the installations accredited during 2012-13 when annual uptake was highest were due their first biennial meter verification this year. Once all of these are complete, we expect to see far fewer change requests because all of the original data entry errors that were made during the application process will have been corrected and fewer errors will be identified in future verification rounds.

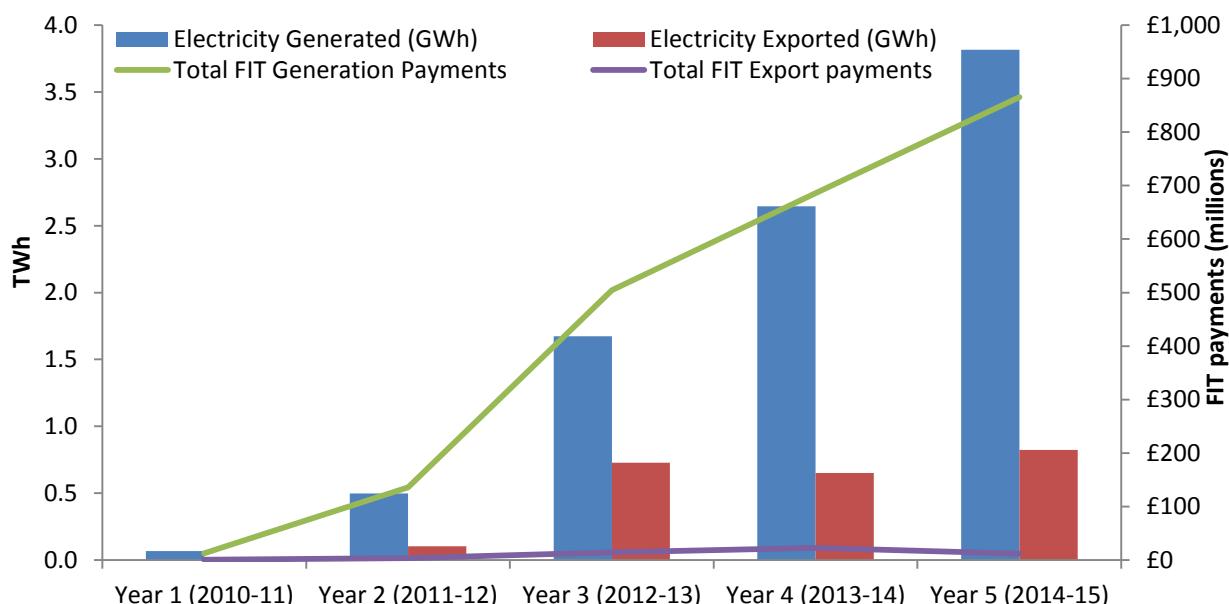
**Figure 3.13: CFR change requests compared to uptake**



## Generation and export of electricity

3.26 In Year Five, 3,815 GWh of electricity was generated by FIT installations and 825 GWh of both deemed and metered electricity was exported to the grid for FIT payments. Scheme participants are paid for both generation and export. The amount exported was only 21.6% of the electricity generated compared to 44.7% in Year Three and 24.7% in Year Four.

**Figure 3.14: Generation and export against payments**



3.27 From **Figure 3.14** we can see that the majority of the electricity exported to the grid from accredited installations is not claimed as export payments.

3.28 We are aware from conversations with licensees that installations not claiming export payments are likely to have entered into Power Purchase Agreements (PPAs) where the electricity exported onto the grid is sold to a supplier (normally the licensee) at a rate negotiated between the supplier and the generator, these payments are not included in FIT payments. In a lot of cases the supplier will offer FIT generation payments, enter into a PPA, and purchase any other associated environmental certificates (eg REGOs or LECs). This is part of their business model and is a reason why many small 'green suppliers' are voluntary licensees. The number of installations on either PPAs or similar make up 22% of the scheme by number of installations however, they account for just over half of the scheme's capacity.

## 4. Policy effect on uptake

### Chapter summary

Year Five was a more stable year with fewer policy amendments and smaller surges in uptake than Year Four. The first contingent non-PV degression resulted in a large surge of ROO-FIT applications, we also saw a rise in communities and school applications after changes were introduced.

### FIT scheme amendments in 2014-15

4.1 There were two amendments to the Order which came into effect this year. These were:

- Minor change to preliminary accreditation for hydro stations
- Changes to publication of tariff tables, which led to a change in degression determinations for stand-alone installations in the license conditions

4.2 Hydro tariff rates were split which meant that some installations would have been given a higher tariff rate had they applied for preliminary accreditation after the tariff change. In order not to detriment a small number of stations, the Order was amended to allow us to withdraw their preliminary accreditation so that they could apply again at the higher tariff rate.

4.3 In previous years, policy amendments have caused large surges in uptake. The two amendments that occurred in Year Five did not have such an impact and as a result the scheme enjoyed a period of relative stability.

### Solar PV degression

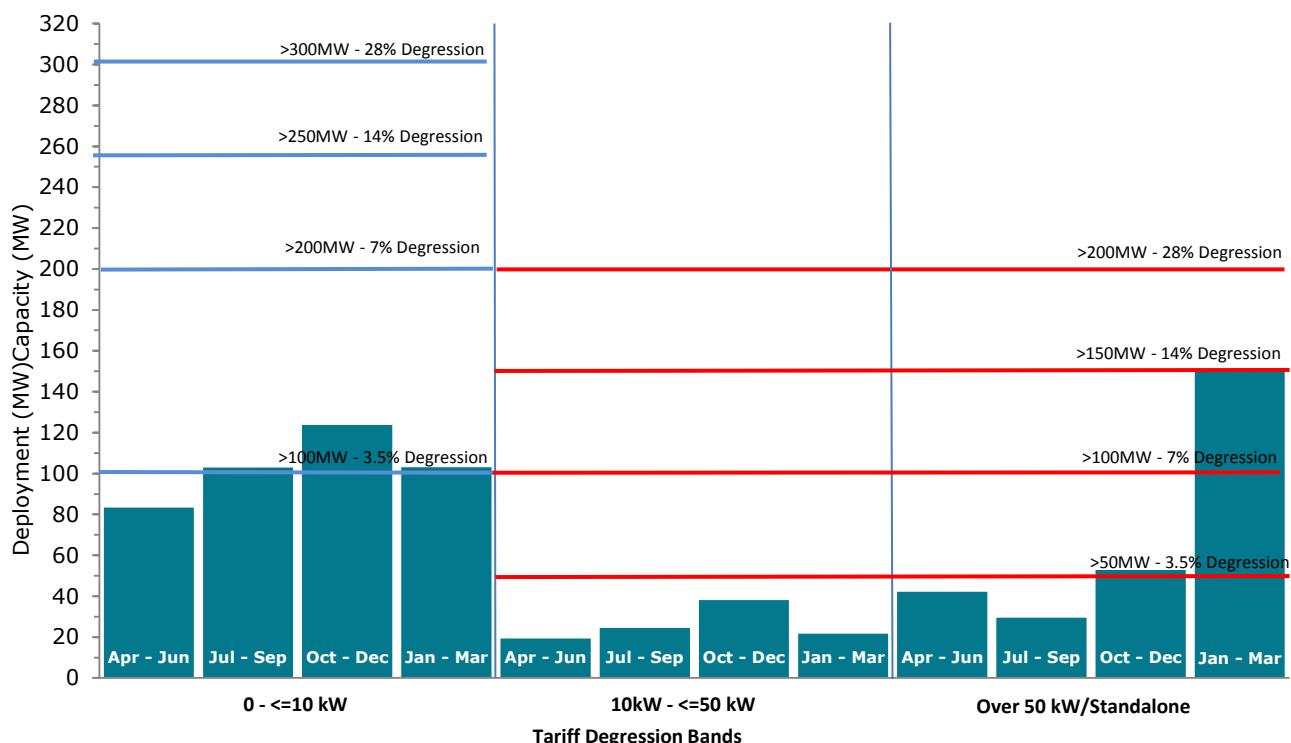
4.4 To encourage uptake of more building mounted PV installations rather than ground mounted PV installations, the government amended the degression mechanism and added a separate tariff band for 'stand-alone' installations. The changes meant that degression of the 'stand-alone' tariff occurred separately to degression of 'standard' tariffs meaning that the high uptake of 'stand-alone' installations would not trigger degression for 'standard' tariffs.

4.5 The new amendments detailing the changes were introduced on 1 January 2015 and the tariffs were introduced on 1 July 2015. The scheduled changes caused a surge in uptake between January and March 2015 as applicants rushed to guarantee the higher tariff rate, this spike is shown in **Figure 4.2**.

4.6 This year we also saw a surge in PV <10kW uptake between 1 September and 31 December 2014 ahead of the 1 January 2015 degression. That increase led to another unexpected contingent degression which occurred on 1 April 2015. Uptake spiked again between 1 January and 31 March 2015 ahead of the 1 April 2015 degression which caused another contingent degression on 1 July 2015 as shown in Figure 4.2. This cycle has continued into Year Six.

4.7 Figure 4.2 shows which degression thresholds were reached in Year Five. For example the surge in PV <10kW uptake in September to December 2014 reached the 100MW threshold and triggered a tariff cut of 3.5%, similarly the surge in over 50kW/Standalone applications in January to March 2015 reached the 150MW threshold and triggered a 14% degression.

**Figure 4.2: Solar PV deployment levels against degression thresholds in Year Five**

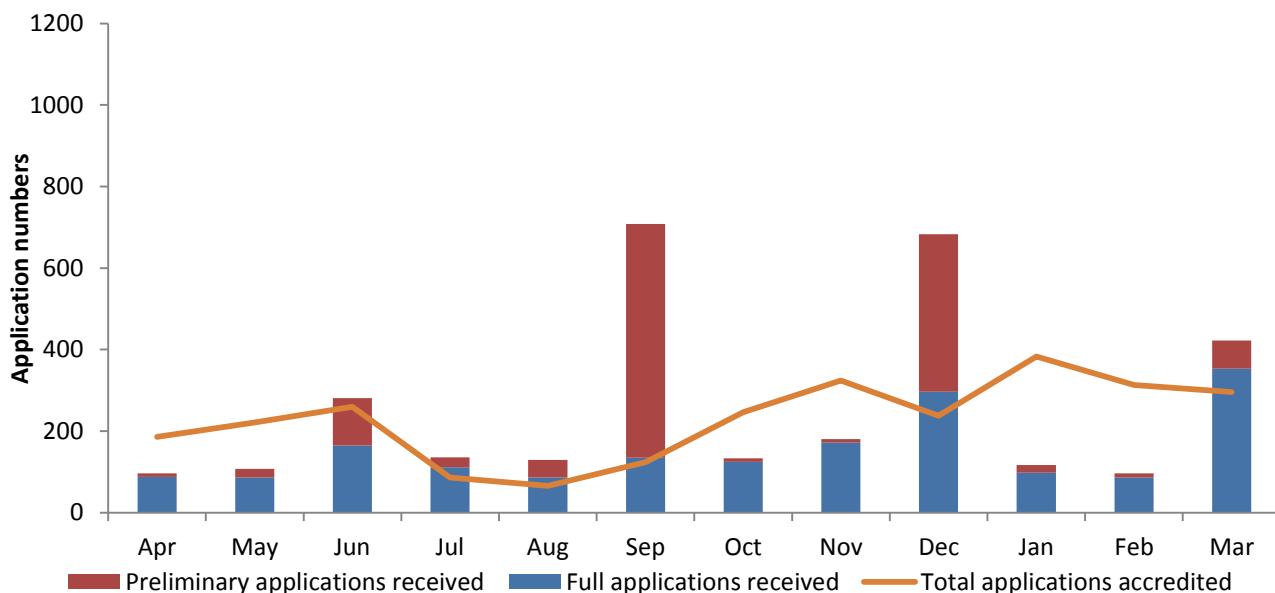


## Non-solar PV degression

4.8 In accordance with the Order, installations applying for preliminary accreditation with an eligibility date between 1 January and 31 March receive the tariff in force on 1 April that year. As a result, in the final months of 2013 there was a surge in ROO-FIT applications as generators wanted to secure the pre-1 April 2014 tariff by obtaining an eligibility date that was on or before 31 December 2013.

4.9 Another surge in ROO-FIT applications occurred in September 2014 as a result of further contingent non-solar PV tariff degressions on 1 October 2014. **Figure 4.3** shows that we received 708 applications in September 2014 and 683 applications in December 2014.

**Figure 4.3: ROO-FIT applications received in Year Five**



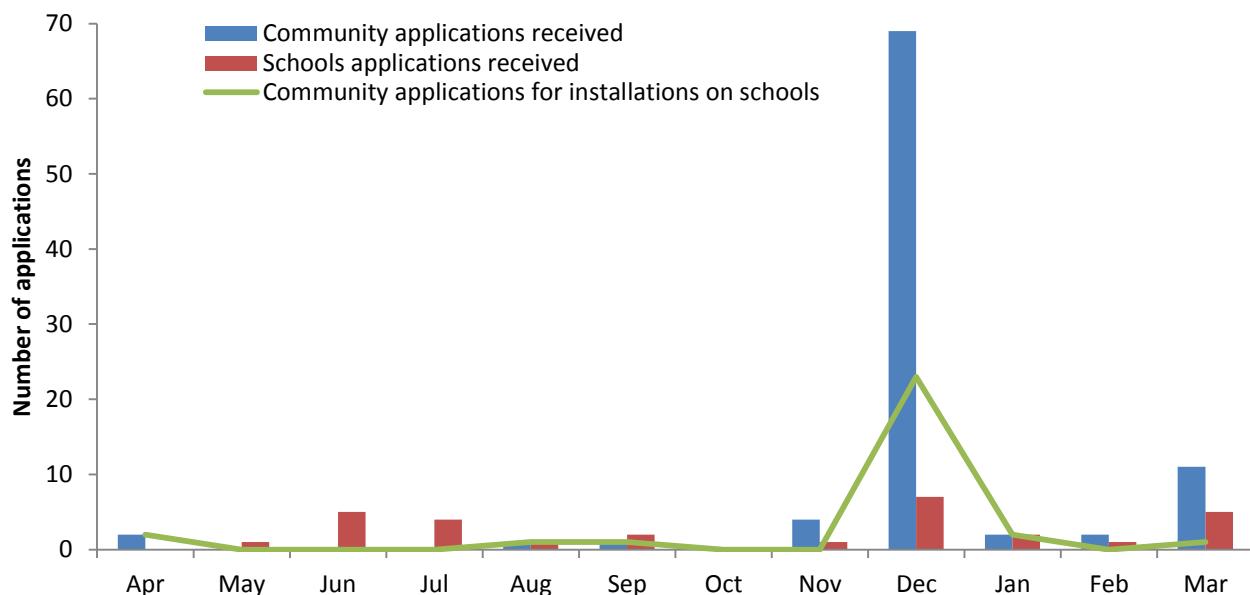
4.10 In anticipation of the surges in applications in September 2014 and December 2014, which occurred before tariff cuts caused by degression, the ROO-FIT team secured funding to employ nine additional members of staff from August 2014 to March 2015 to focus purely on processing the queue of ROO-FIT applications.

4.11 In Year Four, the ROO-FIT team changed the application review procedures in order to streamline the accreditation process. The change was to permit certain 'simple' applications to follow a two-stage checking process while 'complex' applications would continue to follow the three-stage process. As the transition to using a two-stage review process for 'simple' applications had been successful, the ROO-FIT team continued to use this throughout the year. Streamlining the accreditation process has helped them work through the large number of applications awaiting approval.

## Communities and schools

4.12 The number of community and schools applications received each month remained low throughout the year. There was however a surge in December 2014 ahead of the 1 January 2015 tariff cuts. It should be noted that 40% of these applications were from just two community organisations that started to take an interest in the relaxations to accreditation offered to community organisations. The relaxations include tariff guarantee and exemption from energy efficiency requirements. Given the modest uptake of community organisations and schools, DECC introduced new legislation on 1 April 2015 which included an extension to the ROO-FIT preliminary accreditation validity period and a modification to the approach taken to determine the 'site' of an installation. Charities were also included in the definition of community organisations. Since then the deployment rate has increased and we will report on this further in next year's report.

**Figure 4.4: Community and school applications in Year Five**



## Changes to guidance

4.13 We made some amendments to the supplier guidance at the end of the year to incorporate the change in AMR processes, as well as a few other minor amendments which removed some ambiguity. Anticipating the surge in ROO-FIT applications, we reviewed our existing guidance and made some changes to make the process as simple and as straightforward as possible for applicants.

4.14 The ROO-FIT team has worked hard to communicate the need for 'right first-time' applications. A 'right first time' application will be accredited sooner than those with errors or incomplete supporting information that means we have to go back and forth with the applicant.

4.15 We have also published user guides to help readers understand some of the more complicated aspects of the scheme. We published some FAQ documents to answer common queries we receive from licensees and applicants.

## 5. Change and evolution of FITs

### Chapter summary

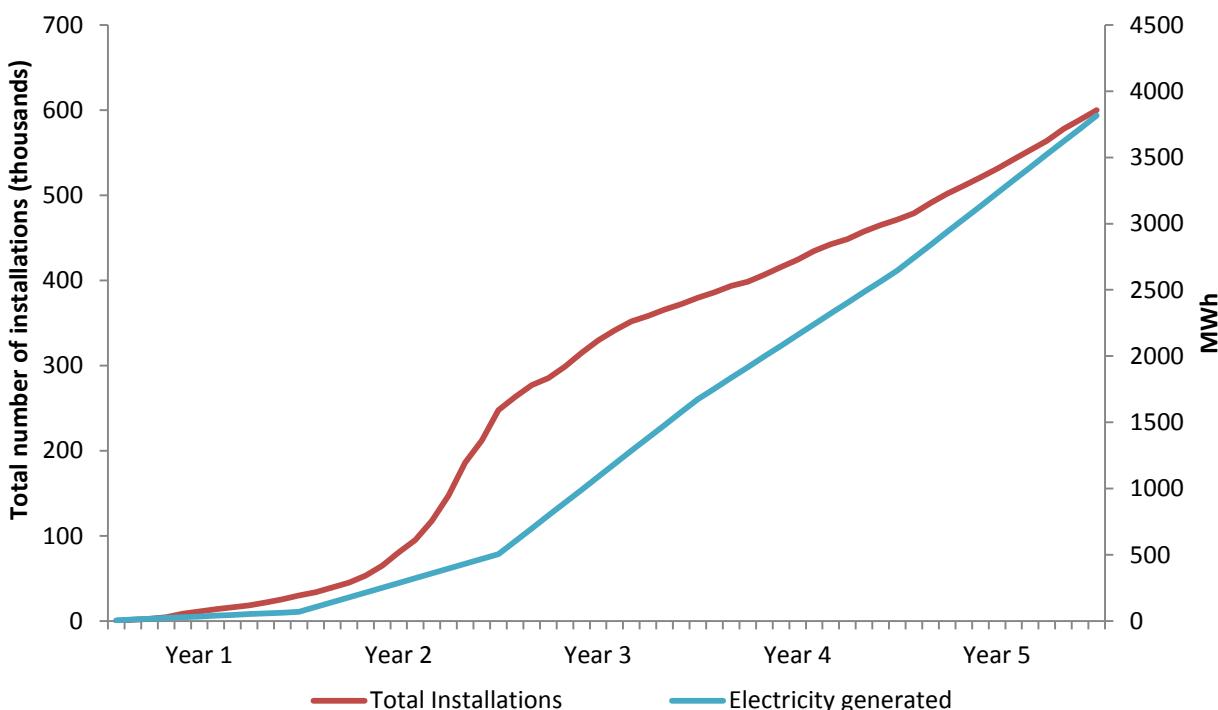
The scheme continues to be popular despite the depreciation of tariffs seen through the year. We completed all our legislative duties within the prescribed statutory deadlines and have continued to work closely with stakeholders to introduce efficiencies and make improvements to processes and guidance.

5.1 Since the scheme began we have seen uptake of the scheme increase year by year. Year Five saw a third more installations registered when compared to Year Four and the value of the scheme increase by £175m.

5.2 The FIT scheme continues to be popular despite continuing cuts to tariffs brought about through the depreciation mechanism. In previous years we have seen some dramatic surges in uptake as a result of major changes to control the cost of the scheme. The most dramatic surge was at the end of Year Two. Since 2011-12, depreciation continues to cause surges in uptake but to a lesser extent. This year we experienced very little in major policy change and this has made it a relatively stable year.

5.3 The rate of uptake has increased steadily over the year as shown in **Figure 5.1** while the amount of electricity generated has increased at a greater rate than uptake. This is due to the large number of large scale ROO-FIT accreditations.

**Figure 5.1: FIT uptake and electricity generation**



5.4 As scheme applicant numbers increase and legislative changes over the past five years make the scheme more complex we continue to look for ways to improve processes and make it easier for generators to apply, and for licensees to comply. The changes to the biennial meter verification process means that the obligation to read meters every two years is much easier, cheaper and less time-consuming for licensees.

5.5 We have used the results of audits and stakeholder engagement activities to improve our guidance material and clarify any commonly occurring queries or highlight areas where we see common mistakes. This year we have made minor amendments to our 'Guidance for Licensed Electricity Suppliers<sup>11</sup>', 'Guidance for Renewable Installations<sup>12</sup>' and 'Guidance for Communities and Schools<sup>13</sup>', and have published a variety of other communication materials to provide clarification on some of the more complex parts of the scheme.

5.6 Over previous years we have worked closely with licensees and this has continued in Year Five. This year we saw an improvement in the quality and accuracy of data submitted during the levelisation processes and fewer compliance issues identified at audit. Both improvements can be attributed to improved communications from us and better understanding of these processes and the scheme by licensees.

5.7 We have a number of statutory duties and functions to perform throughout the year. These include:

- Publishing new tariff rates
- Publishing CFR installation reports
- Completing annual and periodic levelisation and redistributing payments
- Publishing the schedule for levelisation
- Gathering customer numbers and FIT notifications
- Publishing a list of FIT licensees

5.8 We are required to carry out many of these duties within certain deadlines. In Year Five, we completed all statutory duties within the specified deadline and despite this continued uptake and increased complexity of the scheme we have continued to offer value for money by keeping our administration costs low and stable over the last five years.

5.9 DECC are due to announce changes following their review of the scheme at roughly the same time this report is published. DECC are consulting on the introduction of capacity caps alongside significant reductions in tariffs in order to curtail the cost of the scheme going forward.

5.10 We anticipate that if the expected changes are introduced licensees will have a range of complex queries about how they should fulfil their obligations. We will continue to liaise closely with all of our stakeholders to ensure they are as prepared as they can be for any changes to the scheme that may be announced.

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<sup>11</sup> <https://www.ofgem.gov.uk/publications-and-updates/feed-tariffs-scheme-guidance-licensed-electricity-suppliers-version-7-0>

<sup>12</sup> <https://www.ofgem.gov.uk/publications-and-updates/feed-tariff-fit-guidance-renewable-installations-version-9>

<sup>13</sup> <https://www.ofgem.gov.uk/publications-and-updates/feed-tariff-fit-guidance-community-energy-and-school-installations-version-2>

## Appendix 1: Non-compliant licensed electricity suppliers

**Figure A1.1** lists those suppliers that did not supply data for one or more of the periodic levelisation procedures and/or annual levelisation in Year Five. Some of these suppliers are dormant non-active suppliers and these are identified in the table below.

**Figure A1.1: Non-compliant suppliers in respect of failure to supply data**

Supplier name	Electricity supply licence	Non-compliance period	Non-active supplier
Altitude Energy Supply Limited	Altitude Energy Supply Limited	Q3	
AMRECS LLC	AMRECS LLC	Q1, Q2, Q3, Q4, Annual	Yes
Better Business Energy Limited	Better Business Energy Limited	Q1, Q2, Q3, Q4, Annual	Yes
BizEnergy Limited	BizEnergy Limited	Q1, Q2, Q3, Q4, Annual	Yes
Blizzard Utilities Limited	Blizzard Utilities Limited	Q1, Q2, Q3, Q4, Annual	Yes
Brilliant Energy Limited	Brilliant Energy Limited	Q1, Q2, Q3, Q4, Annual	Yes
Danske Commodities A/S	Danske Commodities A/S	Q2	
Ecotrade Solutions Limited	Ecotrade Solutions Limited	Q1, Q2, Q3, Q4, Annual	Yes
Envy Energy Limited	Envy Energy Limited	Annual	
ETUL Limited	ETUL Limited	Q1, Q2, Q3, Q4, Annual	Yes
Greengen Direct Limited	Greengen Direct Limited	Q1, Q2, Q3, Q4, Annual	Yes
Highclare Trading Limited	Highclare Trading Limited	Q4	Yes
ICS Energy Limited	ICS Energy Limited	Q2	Yes
Iresa Limited	Iresa Limited	Q1, Q2, Q3, Q4, Annual	Yes
KAL-Energy Limited	KAL-Energy Limited	Q2, Q3	Yes
Kensington Power Limited	Kensington Power Limited	Q2, Q4	
Lourdes Associates Limited	Lourdes Associates Limited	Q1, Q2, Q3, Q4, Annual	Yes
MVV Environment Services Limited	MVV Environment Services Limited	Q1	
Nationwide Electricity Limited	Nationwide Electricity Limited	Q1, Q2, Q3, Q4, Annual	Yes
Open4Energy Limited	Open4Energy Limited	Q1, Q2, Q3, Q4, Annual	Yes
Places for People Energy Limited	Places for People Energy Limited	Q4	Yes
R Electrics Limited	R Electrics Limited	Q1, Q2, Q3, Q4, Annual	Yes
S. C. Isramart Limited	S. C. Isramart Limited	Q1, Q2, Q3, Q4, Annual	Yes
Smart Electricity Limited	Smart Electricity Limited	Q1, Q2	Yes
Smarter Eco Energy Limited	Smarter Eco Energy Limited	Q1, Q2, Q3, Q4, Annual	Yes
Team Gas and Electricity Limited	Team Gas and Electricity Limited (now revoked)	Q1, Q2, Q3, Q4, Annual	Yes
UK Healthcare Corporation Limited	UK Healthcare Corporation Limited	Q1	Yes
Universal Bioenergy Limited	Universal Bioenergy Limited	Q1, Q2, Q3, Q4, Annual	Yes
Utilisoft Ltd	Iridium Energy Supply Limited	Q3	Yes

Supplier name	Electricity supply licence	Non-compliance period	Non-active supplier
Utilisoft Ltd	Osmium Energy Supply Limited	Q3	Yes
Utilisoft Ltd	Palladium Energy Supply Limited	Q3	Yes
Utilisoft Ltd	Rhodium Energy Supply Limited	Q3	Yes
Utility Partnership Limited	Utility Partnership Limited	Annual	Yes
Winnington Networks Limited	Winnington Networks Limited (now revoked)	Q1, Q2	Yes

**Figure A1.2** lists those suppliers that reported data late for a periodic levelisation and/or annual levelisation for Year Five. This includes where data was found to be incorrect and subsequently re-submitted. Some of these suppliers are dormant non-active suppliers and these are identified in the table below.

**Figure A1.2: Late submission of data to Ofgem by suppliers**

Supplier name	Electricity supply licence	Period	Non-active supplier
Addito Supply Limited	Addito Supply Limited	Q2	
Cardiff Energy Supply Limited	Cardiff Energy Supply Limited	Annual	Yes
Corona Energy Retail 5 Limited	Corona Energy Retail 5 Limited	Annual	
Coulomb Energy Supply Limited	Coulomb Energy Supply Limited	Annual	
Danske Commodities A/S	Danske Commodities A/S	Annual	
E (Gas and Electricity) Limited	E (Gas and Electricity) Limited	Annual	
Extra Energy Supply Limited	Extra Energy Supply Limited	Q2	
Future Energy Utilities Ltd	Future Energy Utilities Ltd	Annual	Yes
Gilmont Consulting	I Supply Electricity 2 Limited	Annual	Yes
Gilmont Consulting	I Supply Electricity Limited	Annual	Yes
Gilmont Consulting	Supply Energy Limited	Annual	Yes
Gnergy Limited	Gnergy Limited	Annual	
Halogen Power Limited	Halogen Power Limited	Annual	Yes
Home Counties Energy Plc	Home Counties Energy Plc	Q1, Annual	Yes
ICS Energy Limited	ICS Energy Limited	Annual	Yes
Krave Management Ltd	Krave Management Ltd	Q1	Yes
Limejump Energy Limited	Limejump Energy Limited	Annual	Yes
LoCO2 Energy Supply Limited	LoCO2 Energy Supply Limited	Q1	
RMA Dorex UK Ltd	RMA Dorex UK Ltd	Annual	Yes
RWE Npower Plc	Npower Northern Supply Ltd	Q1	
RWE Npower Plc	Npower Yorkshire Supply Ltd	Q1	
Simply Electricity Limited	Simply Electricity Limited	Annual	Yes
Smart Electricity Limited	Smart Electricity Limited	Q3	Yes
The Midcounties Co-operative Limited	Energy Coop Limited	Q1, Q2	
Utiliteam	Barbican Power	Q3	Yes
Utilisoft Ltd	Bronze Energy Supply Limited	Annual	Yes
Utilisoft Ltd	Copper Energy Supply Limited	Annual	Yes
Utilisoft Ltd	Gold Energy Supply Limited	Annual	Yes
Utilisoft Ltd	Mercury Energy Supply Limited	Annual	Yes
Utilisoft Ltd	Osmium Energy Supply Limited	Annual	Yes

Supplier name	Electricity supply licence	Period	Non-active supplier
Utilisoft Ltd	Palladium Energy Supply Limited	Annual	Yes
Utilisoft Ltd	Rhodium Energy Supply Limited	Annual	Yes
Utilisoft Ltd	Silver Energy Supply Limited	Annual	Yes
Utiliteam	Holborn Energy Limited	Q3	Yes
Utiliteam	Paddington Power Limited	Q3	Yes
Utility Warehouse	Electricity Plus Supply Limited	Q1	
UTTILY (UK) Limited	UTTILY (UK) Limited	Q1	Yes
UTTILY plc	UTTILY plc	Annual	Yes
Vattenfall Energy Trading GMBH	Vattenfall Energy Trading GMBH	Q1, Annual	Yes

**Figure A1.3** lists those suppliers that did not submit cleared funds to fulfil their liability into the levelisation fund until after the scheduled deadlines during Year Five.

**Figure A1.3: Late payments by suppliers into the levelisation fund**

Supplier Name	Electricity Supply Licence	Period
Eneco Energy Trade BV	Eneco Energy Trade BV	Q1, Q2
Gazprom Marketing & Trading Retail Ltd	Gazprom Marketing & Trading Retail Ltd	Q1

## Appendix 2: Quarterly payments by licensees

These tables show the pre-reconciled total value of quarterly payments claimed by accredited FIT generators, as reported to Ofgem by FIT licensees.

**Figure A2.1: FIT payments claimed for the period 1 April 2014 to 30 June 2014**

Licence name	Total FIT generation payments made	Total FIT export payments made	Total FIT payments
British Gas Trading	£23,195,098.59	£1,046,948.13	£24,242,046.72
Co-operative Energy Ltd	£581,947.16	£36,933.73	£618,880.89
E.ON Energy Ltd	£37,074,195.90	£2,030,696.47	£39,104,892.37
EDF Energy Customers Plc	£15,729,281.00	£729,662.33	£16,458,943.33
Electricity Plus Supply Ltd	£2,912,427.90	£171,224.82	£3,083,652.72
F & S Energy Limited	£127,688.36	£0.00	£127,688.36
First Utility Ltd	£836,350.26	£68,244.40	£904,594.66
Flow Energy Ltd	£11,051.67	£1,807.08	£12,858.75
Gaz de France Marketing Limited	£924,334.47	£1,470.60	£925,805.07
Good Energy Ltd	£28,817,393.56	£1,117,090.18	£29,934,483.74
Green Energy Limited	£722,107.51	£17,859.66	£739,967.17
I Supply Energy	£790,676.82	£34,470.64	£825,147.46
Npower Direct Limited	£1,173,451.24	£62,855.47	£1,236,306.71
Npower Ltd – GB	£13,281,615.94	£284,505.74	£13,566,121.68
Npower Northern Limited	£7,306,451.82	£397,647.98	£7,704,099.80
Npower Yorkshire Limited	£759,548.73	£39,565.99	£799,114.72
Opus Energy Ltd	£14,080,646.30	£30,303.29	£14,110,949.59
Ovo Electricity Ltd	£17,551.15	£2,718.39	£20,269.54
Renewable Energy Company Ltd	£1,578,869.93	£81,059.96	£1,659,929.89
ScottishPower Energy Retail Ltd	£11,782,553.39	£734,862.64	£12,517,416.03
Smartest Energy	£13,128,465.00	£5,671.00	£13,134,136.00
Spark Energy Supply Limited	£29,587.77	£4,541.37	£34,129.14
SSE Energy Supply Ltd	£19,667,639.22	£702,251.66	£20,369,890.88
Symbio Energy LLP	£15,380.88	£1,394.54	£16,775.42
Total Gas & Power UK	£2,011,587.99	£4,759.51	£2,016,347.50
Tradelink Solutions Ltd	£2,747,477.52	£7,794.58	£2,755,272.10
Utilita Electricity Ltd	£19,114.12	£1,114.99	£20,229.11
<b>Total</b>	<b>£199,322,494.20</b>	<b>£7,617,455.15</b>	<b>£206,939,949.35</b>

**Figure A2.2: FIT payments claimed for the period 1 July 2014 to 30 September 2014**

Licence name	Total FIT generation payments made	Total FIT export payments made	Total FIT payments
British Gas Trading	£34,836,955.09	£1,620,516.05	£36,457,471.14
Co-operative Energy Ltd	£877,378.12	£50,768.19	£928,146.31
E.ON Energy Ltd	£52,471,355.33	£2,964,292.42	£55,435,647.75
EDF Energy Customers Plc	£19,176,581.12	£934,263.64	£20,110,844.76
Electricity Plus Supply Ltd	£3,190,482.58	£196,988.24	£3,387,470.82
F & S Energy Limited	£131,361.35	£0.00	£131,361.35
First Utility Ltd	£1,081,460.92	£86,071.75	£1,167,532.67
Flow Energy Ltd	£20,584.35	£3,367.16	£23,951.51

<b>Licence name</b>	<b>Total FIT generation payments made</b>	<b>Total FIT export payments made</b>	<b>Total FIT payments</b>
Gaz de France Marketing Limited	£1,880,238.09	£639.22	£1,880,877.31
Good Energy Ltd	£31,529,926.69	£1,334,943.60	£32,864,870.29
Green Energy Limited	£739,874.24	£15,813.98	£755,688.22
I Supply Energy	£1,025,330.21	£46,709.65	£1,072,039.86
Npower Direct Limited	£1,385,681.24	£78,569.26	£1,464,250.50
Npower Ltd - GB	£11,950,432.13	£374,527.81	£12,324,959.94
Npower Northern Limited	£9,190,460.20	£539,110.71	£9,729,570.91
Npower Yorkshire Limited	£905,030.87	£52,802.49	£957,833.36
Opus Energy Ltd	£12,999,920.34	£33,709.19	£13,033,629.53
Ovo Electricity Ltd	£76,974.64	£11,620.00	£88,594.64
Renewable Energy Company Ltd	£2,084,689.57	£100,038.18	£2,184,727.75
ScottishPower Energy Retail Ltd	£17,121,851.52	£1,033,545.51	£18,155,397.03
Smartest Energy	£15,868,453.21	£31,455.02	£15,899,908.23
Spark Energy Supply Limited	£37,593.21	£5,721.33	£43,314.54
SSE Energy Supply Ltd	£40,600,524.35	£1,800,377.68	£42,400,902.03
Symbio Energy LLP	£13,859.74	£1,941.39	£15,801.13
Total Gas & Power UK	£2,301,713.07	£13,806.72	£2,315,519.79
Tradelink Solutions Ltd	£2,670,472.11	£4,033.22	£2,674,505.33
Utilita Electricity Ltd	£7,473.24	£593.75	£8,066.99
<b>Total</b>	<b>£264,176,657.53</b>	<b>£11,336,226.16</b>	<b>£275,512,883.69</b>

**Figure A2.3: FIT payments claimed for the period 1 October 2014 to 31 December 2014**

<b>Licence name</b>	<b>Total FIT generation payments made</b>	<b>Total FIT export payments made</b>	<b>Total FIT payments</b>
British Gas Trading	£28,687,641.90	£1,254,174.20	£29,941,816.10
Co-operative Energy Ltd	£529,633.05	£21,106.89	£550,739.94
E.ON Energy Ltd	£37,550,521.84	£2,296,062.49	£39,846,584.33
EDF Energy Customers Plc	£13,330,333.50	£634,169.94	£13,964,503.44
Electricity Plus Supply Ltd	£1,278,130.78	£82,421.13	£1,360,551.91
F & S Energy Limited	£462,145.99	£0.00	£462,145.99
First Utility Ltd	£450,484.95	£44,287.25	£494,772.20
Flow Energy Ltd	£9,212.47	£1,457.14	£10,669.61
Gaz de France Marketing Limited	£1,413,915.92	£915.44	£1,414,831.36
Good Energy Ltd	£18,156,958.05	£644,691.29	£18,801,649.34
Green Energy Limited	£816,838.84	£12,787.02	£829,625.86
I Supply Energy	£335,761.01	£15,727.84	£351,488.85
Neas Energy Limited	£260,684.22	£0.00	£260,684.22
Npower Direct Limited	£794,769.16	£45,127.90	£839,897.06
Npower Ltd - GB	£12,757,515.24	£241,619.04	£12,999,134.28
Npower Northern Limited	£4,207,302.28	£265,642.33	£4,472,944.61
Npower Yorkshire Limited	£450,005.51	£27,197.59	£477,203.10
Opus Energy Ltd	£20,193,245.83	£17,469.06	£20,210,714.89
Ovo Electricity Ltd	£63,140.27	£9,232.86	£72,373.13
Renewable Energy Company Ltd	£1,253,715.05	£86,153.93	£1,339,868.98

<b>Licence name</b>	<b>Total FIT generation payments made</b>	<b>Total FIT export payments made</b>	<b>Total FIT payments</b>
ScottishPower Energy Retail Ltd	£11,236,819.53	£717,526.21	£11,954,345.74
Smartest Energy	£16,587,031.08	£2,221.40	£16,589,252.48
Spark Energy Supply Limited	£19,447.99	£3,065.15	£22,513.14
SSE Energy Supply Ltd	£35,098,111.21	£1,528,825.87	£36,626,937.08
Symbio Energy LLP	£3,522.41	£668.92	£4,191.33
Total Gas & Power UK	£2,592,183.01	£2,070.84	£2,594,253.85
Tradelink Solutions Ltd	£3,410,338.47	£9,484.00	£3,419,822.47
Utilita Electricity Ltd	£2,196.60	£173.02	£2,369.62
<b>Total</b>	<b>£211,951,606.16</b>	<b>£7,964,278.75</b>	<b>£219,915,884.91</b>

**Figure A2.4: FIT payments claimed for the period 1 January 2015 to 31 March 2015**

<b>Licence name</b>	<b>Total FIT generation payments made</b>	<b>Total FIT export payments made</b>	<b>Total FIT payments</b>
British Gas Trading	£13,972,414.89	£689,057.39	£14,661,472.28
Co-operative Energy Ltd	£646,976.49	£29,602.23	£676,578.72
E.ON Energy Ltd	£21,978,346.06	£1,346,034.13	£23,324,380.19
EDF Energy Customers Plc	£9,085,153.31	£385,634.55	£9,470,787.86
Electricity Plus Supply Ltd	£1,490,537.96	£102,113.20	£1,592,651.16
F & S Energy Limited	£1,093,749.87	£0.00	£1,093,749.87
First Utility Ltd	£569,002.11	£52,501.83	£621,503.94
Flow Energy Ltd	£15,005.36	£2,408.27	£17,413.63
Gaz de France Marketing Limited	£1,408,159.27	£584.84	£1,408,744.11
Good Energy Ltd	£21,144,656.50	£719,768.78	£21,864,425.28
Green Energy Limited	£817,185.72	£16,575.42	£833,761.14
I Supply Energy	£449,220.21	£21,784.01	£471,004.22
Neas Energy Limited	£681,177.35	£0.00	£681,177.35
Npower Direct Limited	£734,241.99	£47,672.51	£781,914.50
Npower Ltd - GB	£12,671,130.37	£283,912.99	£12,955,043.36
Npower Northern Limited	£3,352,120.78	£200,553.77	£3,552,674.55
Npower Yorkshire Limited	£340,175.42	£20,532.65	£360,708.07
Opus Energy Ltd	£26,553,704.86	£24,071.47	£26,577,776.33
Ovo Electricity Ltd	£109,627.10	£16,584.64	£126,211.74
Renewable Energy Company Ltd	£2,384,576.62	£175,515.33	£2,560,091.95
ScottishPower Energy Retail Ltd	£6,926,088.93	£470,455.23	£7,396,544.16
Smartest Energy	£21,670,775.97	£28.59	£21,670,804.56
Spark Energy Supply Limited	£23,227.36	£3,688.97	£26,916.33
SSE Energy Supply Ltd	£20,433,206.24	£874,310.22	£21,307,516.46
Symbio Energy LLP	£5,490.10	£1,196.40	£6,686.50
Total Gas & Power UK	£5,518,894.82	£9,013.86	£5,527,908.68
Tradelink Solutions Ltd	£4,808,584.32	£28,407.02	£4,836,991.34
Utilita Electricity Ltd	£9,638.06	£810.43	£10,448.49
<b>Total</b>	<b>£178,893,068.04</b>	<b>£5,522,818.73</b>	<b>£184,415,886.77</b>

## Appendix 3: Feedback questionnaire

We would welcome your feedback on this report, including the length of the document and the content. Please address your feedback to [fitcompliance@ofgem.gov.uk](mailto:fitcompliance@ofgem.gov.uk). You may wish to respond to the following questions in giving your feedback.

1. Do you have any comments about the overall tone and content of the report?
2. Was the report easy to read and understand, could it have been better written?
3. What information would you like to see in next year's annual report?
4. Please add any further comments?

## Appendix 4: Glossary

"Accredited FIT Installation"	means an Eligible Installation which the Authority has entered onto the Central FIT Register in accordance with the Order;
"Central FIT Register"	means the register kept and maintained by the Authority for the purpose of recording details of FIT Generators, Accredited FIT Installations and other such matters relating to the FIT scheme;
"Commissioned"	means, in relation to an Eligible Installation, the completion of such procedures and tests as constitute, at the time they are undertaken, the usual industry standards and practices for commissioning that type of Eligible Installation in order to demonstrate it is capable of operation;
"Deemed Export"	means Export from an Accredited FIT Installation which may be deemed to be a percentage of the equivalent Generation Meter Reading from the same Accredited FITs Installation and period, in the event it is not possible or practical to measure it by way of Export Meter Readings, to be determined in accordance with the methodology determined by the Secretary of State as set out in the Order;
"Eligibility Date"	means the date as regards a particular Eligible Installation from which eligibility for FIT Payments commences which shall be the later of the date: <ul style="list-style-type: none"><li>• as applicable, of<ul style="list-style-type: none"><li>○ receipt by the Authority of a FIT Generator's written request for ROO-FIT Accreditation in a form acceptable to the Authority; or</li><li>○ receipt by a FIT Licensee of a FIT Generator's written request for MCS-certified Registration;</li></ul></li><li>• on which the Eligible Installation is Commissioned; or</li><li>• 1<sup>st</sup> April 2010;</li></ul>

“Eligible Installation”

means, on a Site, any Installation owned by a FIT Generator capable of producing Small-scale Low-carbon Generation from the same type of Eligible Low-carbon Energy Source, the Total Installed Capacity of which does not exceed the specified maximum Declared Net Capacity;

“Export”

means the flow of electricity at any instant in time from an Eligible Installation onto a distribution system or transmission system and, if the FIT Licensee so elects, accounted for in settlement in accordance with the BSC, and Export used as a verb shall be construed accordingly;

“Export Payment”

means the sum paid to the FIT Generator or Nominated Recipient, as applicable, by a FIT Licensee, for FIT Export in any period, calculated by reference to the Export Tariff and Export Meter Reading or Deemed Export Reading;

“FIT Licensee”

means the collective term for Mandatory FIT Licensees and Voluntary FIT Licensees;

“FIT Payments”

means, as applicable, the Generation Payments and/or Export Payments;

“Generation Payment”

means the sum paid to the FIT Generator or Nominated Recipient, as applicable, by a FIT Licensee, for the electricity generated by Accredited FIT Installations in any period, calculated by reference to the Generation Tariff and Generation Meter Readings;

“Levelisation Payment”

means the payment required to be made by a FIT Licensee to the Authority or by the Authority to the FIT Licensee, in accordance with the Levelisation Process as determined in the Order;

“Levelisation Process”

means the process by which the total cost of the FIT Scheme is allocated between Licensed Electricity Suppliers in proportion to the size of their share in the electricity supply market of Great Britain, as determined in accordance with the Order;

“MCS-certified Installation”

means an Eligible Installation using an MCS-FITs Technology which has been recognised by MCS or equivalent as satisfying relevant equipment and installation standards;

“Owner”

means, in relation to any Installation which is the subject of a hire purchase agreement, a conditional sale agreement or any agreement of a similar nature, the person in possession of the Plant under that agreement, and in all other contexts it shall bear its ordinary meaning, Owned as a verb shall be construed accordingly;

“Site”

means the premises to which are attached one or more Accredited FITs Installations or Eligible Installations in close geographical proximity to each other, to be determined as required by the Authority by reference to:

- the relevant Meter Point Administration Number (MPAN) for electricity supply;
- Installation Location address including postcode; or
- OS grid reference;
- any other factors which the Authority at its

discretion views as relevant;

"Total Installed Capacity"

means the maximum capacity at which an Eligible Installation could be operated for a sustained period without causing damage to it (assuming the Eligible Low-carbon Energy Source was available to it without interruption), a declaration of which is submitted as part of the processes of ROO-FIT Accreditation and MCS-certified Registration